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NEWS SUMMARY

GENERAL

Heathrow flights called off today

British Airways has cancelled all its flights from Heathrow, and all its shuttle services, following the TGWU decision to make official a 24-hour strike by some ground staff.

Workers at Gatwick are considering their response to the union call.

The airline hopes to operate its flights from Manchester and Glasgow, but not those to Heathrow.

The dispute is over a pay offer which involves a three-month freeze, followed by 8 per cent from April 1. Back Page

Solidarity call

Solidarity, the Polish union, says it will call its 10m members on strike next Wednesday if the Government does not agree to stop compulsory Saturday working. Back Page

£271,400 a year

Richard Giordano, 46, the American group managing director and chief executive of BOC International has a salary of £271,400 a year, which almost certainly makes him Britain's highest-paid executive. Back Page

Siege sentence

Fowzi Nejad switched his plea to guilty to the manslaughter of two hostages during the Iranian Embassy siege, and was sentenced to life imprisonment. Mr. Justice Park praised the conduct of PC Trevor Lock, a hostage.

Ulster hunt

An explosive device has been found near Tyrone Abbey, Armagh, where Sir Norman Stronge, 86, former Speaker of the Northern Ireland Parliament, and his son James, 48, who succeeded him as an Ulster MP, were shot on Wednesday night. Troops and police have mounted a major search following the murders.

Anti-merger

Chad's ambassador to Egypt denounced a proposed merger between his country and Libya, describing it as Libyan annexation, and urged the Chad forces to rise against "Libya's treachery."

Mark's new post

The Woolworth store chain in Australia, locally owned, which has faced bomb attacks and a £½m ransom demand recently, has appointed Sir Robert Mark, former Metropolitan Police commissioner, to tighten security.

Mengele warrant

A new warrant has been issued in Frankfurt for the arrest of Dr. Josef Mengele, accused of mass murders under the Nazis, and believed to be in South America. New information has been laid against the former Auschwitz doctor.

Non-elected MPs

South Africa, which scrapped its Senate at the end of last year added 12 appointed members to its previously all-elected House of Assembly—a move criticised by the generally anti-Government English-language Press. Page 4

Briefly . . .

Isle of Man is to issue a £5 coin before Easter.

Three modified London taxis are to be tried in New York. Page 8

Seaspeed is cutting cross-Channel hovercraft fares for people and cars. Page 7

Rolls-Royce says its latest RB-211 can save a Boeing 747 Jumbo almost 2m gallons a fuel a year.

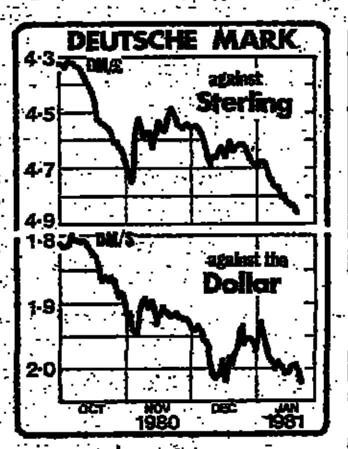
Suspected Soviet sympathisers were arrested after bomb blasts in Mogadishu, Somalia.

BUSINESS

Dollar firmer; sterling off 2.5c

● DOLLAR was very firm on expectations that U.S. interest rates would rise. Its Bank of England weighting closed at 86.9 (86.3), and it rose to DM 2.0250 (DM 1.9925) and Y200.75 (Y199.20). STERLING eased after a firm day on demand for the dollar, but its trade-weighted index was 80.3 (80.2), its highest close for over seven years. It finished at $2.4033, down 2.52¼ cents. Page 27

● D-MARK remained weak, reflecting Germany's poor balance of payments and unexpectedly slow economic growth. U.S. interest rates and tension over Poland were market factors. Page 27; Cash injection, Page 2



● EQUITIES: End-account moves, coupled with renewed worries about the UK labour scene, saw prices generally easier, and the FT 30-Share Index closed 4.6 down at 457.1.

● GILTS improved, up to ¼ for mediums and longs, in slightly quieter business. The Government Securities Index was 0.22 up at 68.94. Page 30

● GOLD moved down all day in London to close at $558.5, $19 off. Page 27

● WALL STREET was off 9.22 at 937.03 before the close. Page 28

● BANK OF ENGLAND is studying plans to issue short-dated debt which would mean a big change in methods of Government borrowing. Back Page

● GOVERNMENT acted to provide extra funds for export credits so exporters will be able to match competitors' terms. Back Page

● GHH, Europe's biggest mechanical engineering group, expects to maintain a 14 per cent dividend this year despite West Germany's economic downturn. Page 26

● RANK ORGANISATION second-half taxable profits were down from £66.78m to £57.79m, leaving the year's figure to October 31, 1980, at £111.24m (£131.19m). Page 20; Lex, Back Page

● ARAB BANKING Corporation, the $1bn joint venture by Kuwait, Libya and Abu Dhabi, declared a profit of $45m for its first year. Page 26

● TOYOTA, Japan's biggest car maker, expects operating profits for the year to June 1981 to fall by 30 per cent from the Y291.5bn (£599m) of 1979-80. Page 26

● STOREY BROTHERS is to close its plastic sheet and film plant at Brantham, Suffolk, with the loss of 1,000 jobs—a third of the company's workforce. Page 7

● HENLYS motor dealer plunged from pre-tax profits of £4.31m to a £387,000 loss for the year to September 30 1980. The final dividend will be cut from 6.1p net to 3p. Page 20

● FRENCH business failures increased sharply last year, especially in the second half. Page 25

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Treas. 12pc 1987	£96	+ ⅜
Arbuthnot Latham	283	+ 21
Daejan	174	+ 10
Davis (Godfrey)	160	+ 11
Derby Trust	282	+ 17
Eagle Star	240	+ 6
Gestetner A	74	+ 9
Grippeross	109	+ 7
Henlys	77½	+ 5½
Heron Motor	27½	+ 2½
Kershaw (A.)	285	+ 15
Lovell (Y. J.)	192	+ 11
Phoenix Mining	52	+ 7
Rank Org.	166	+ 10
Reed (Austin) A	60	+ 4
Sea View Hotels	92	+ 10
Somportex	690	+ 75
Sun Life	252	+ 6
Tate and Lyle	152	+ 12
Anglo-Indonesian	120	+ 8
Ayer Hitam	280	+ 20
Malayan Tin	113	+ 9
Tronoh	405	+ 40

FALLS		
Akroyd & Smithers	305	− 15
Allen (W. G.)	36	− 4
Brent Chems.	140	− 12
Dom Hldgs.	68	− 4
GKN	141	− 8
House of Fraser	120	− 5
Lucas Inds.	178	− 6
Martin (R. P.)	155	− 5
Vosper	90	− 7
Strata Oil	178	− 22
Cons. Gold Fields	480	− 10
Haoma Gold	132	− 12
North West Mining	84	− 12
Poseidon	266	− 8
Spargos Explor.	32	− 6
Western Hldgs.	£32¼	− 1½

Three weeks to negotiate redundancies

Murdoch named as buyer of The Times

BY ALAN PIKE

MR. RUPERT MURDOCH, the Australian newspaper proprietor, was yesterday named as conditional purchaser of Times Newspapers and given three weeks to negotiate "considerable redundancies" with its unions.

The announcement that Mr. Murdoch, whose News International publishes the Sun and the News of the World, was the single acceptable buyer from a short list of bidders came after he had given extensive undertakings to protect the editorial quality and integrity of Times newspapers and supplements.

The Government has not decided whether to refer Mr. Murdoch's bid to the Monopolies and Mergers Commission. A reference in these circumstances is not mandatory if the Trade Secretary is satisfied a newspaper is not economic and the case is urgent.

Some senior Ministers favour a reference. Opposition leaders oppose Mr. Murdoch taking over the papers. But Mr. Murdoch said yesterday that if an investigation interfered with his three-week time-table for negotiations and the papers closed, "all bets are off."

The announcement that Mr. Murdoch had reached conditional agreement ends three months' activity since the International Thomson Organisation (which closed down Times Newspapers for a year in a fight to win industrial relations reforms) announced its intention to sell the titles.

Early yesterday morning Mr. Murdoch met editors of the papers and three of the organisation's independent national directors, Lords Roll, Dacre and Greene. He gave undertakings which it is intended will be incorporated in articles of association deposited with the Trade Secretary.

Feature article, Editorial Comment and Men and Matters, Page 18

These include assurances that the independent directors will be preserved and enhanced, that an editor may be appointed or removed only with their majority approval, and that the separate identities of The Times and The Sunday Times will be maintained as "editorially independent newspapers of high quality."

In a last-minute move before the announcement two merchant banks, Barings and Morgan Grenfell, submitted an alternative bid for the purchase of both The Times and Sunday Times, on behalf of consortia of journalists and other interested parties. Their late joint bid was *rejected.*

Mr. Murdoch yesterday refused to say how much he would pay. Opinion among unsuccessful bidders was that it might be about £15m.

It is Mr. Murdoch's intention to continue producing the newspapers from their Gray's Inn Road, London, premises but with substantial reductions in staff.

He stressed yesterday that if he failed to reach agreement on redundancies in the next three weeks there would be no deal. *The two Times newspapers and* three supplements would then be sold separately and it was unlikely he would be in the bidding.

Mr. Gordon Brunton, chief executive of Thomson British Holdings, said that "in so far as they were comparable" Mr. Murdoch's bid was not the highest from among those received. But it was considered the most suitable and had been unanimously endorsed by the vetting committee.

Sir Denis Hamilton, chairman and editor-in-chief of Times Newspapers, Mr. William Rees-Mogg, editor of The Times, and Mr. Harold Evans, editor of The Sunday Times, all praised Mr. Murdoch's proposed undertakings for preserving the editorial independence

Cautious welcome by unions

By John Lloyd, Labour Correspondent

PRINT UNION general secretaries began discussions with Mr. Rupert Murdoch last night immediately after the announcement of News International's conditional purchase of Times Newspapers.

Before going into the meeting at Mr. Murdoch's offices off Fleet Street, they expressed cautious approval of the deal. All are concerned not to allow a stoppage in the newspaper's production. All appear to regard Mr. Murdoch as the best among the contenders for the titles.

They have accepted that, with only three weeks in which to negotiate agreements with five print unions and 54 chapels, they must concentrate their minds and bargain hard.

Mr. Owen O'Brien, general secretary of the National Society of Operative Printers, Graphical and Media Personnel, whose members form around half the Times Newspapers workforce, said that he would be prepared to talk about redundancies.

He did not endorse Mr. Murdoch's call for "considerable lay offs." "That's a matter of opinion—what is considerable," he said.

Mr. Bill Keys, general secretary of the Society of Graphical and Allied Trades, which represents about 1,000 people in the warehousing and distribution departments of the company, said *his* members recognised that there would be a need for "limited" redundancies.

"I would like to see all unions enter into a maintenance of production agreement with Mr. Murdoch. If we've got a problem let's deal with the product first, get it out then settle it in the daytime," he said.

Regarding editorial independence, Mr. Ken Ashton, general *secretary of the National Union* of Journalists, said the undertakings given by Mr. Murdoch yesterday were "more far reaching than those entered into by anyone else."

He said he understood that there would be no redundancies among editorial staff.

The National Graphical Association, which represents the compositors and was at the centre of the 11-month stoppage at Times Newspapers over new technology, has said that it sees no difficulties in agreeing on the introduction of computerised systems in Times Newspapers since agreements were largely concluded with the existing management before announcement of the sale.

Reagan abiding by Iranian deal despite outrage

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

THE REAGAN Administration will abide by the financial agreement with Iran that led to the release of the American hostages provided "it is consistent with domestic and international law."

This qualified endorsement was issued by the State Department yesterday as anger and outrage gripped the country over the abuse heaped on the hostagese by their Iranian captors during the diplomats, ~~444~~-day ordeal.

Former President Jimmy *Carter denounced the* "barbaric" behaviour of the Iranians after he had visited the freed Americans in Wiesbaden on Wednesday.

Such details as he provided were expanded upon, in painful detail, by both U.S. officials at the American military hospital in Germany and families of the hostages after telephone conversations with their relatives.

Yesterday morning, however, Mr. Carter strongly urged his *successor, Mr. Ronald Reagan,* not to repudiate the agreement signed earlier this week before Mr. Reagan's inauguration.

Mr. Walter Mondale, for the former Vice-President who had also travelled to Wiesbaden, emerged from the White House yesterday morning after delivering Mr. Carter's written report to Mr. Reagan and declared that the U.S. had "200 years of abiding by international law. If they (the Iranians) are barbaric we must demonstrate the difference."

Arriving back home in Plains, Georgia, Mr. Carter said that when the full story of maltreatment came out, "I think the comments I made (in Wiesbaden) will be seen to be very moderate in nature."

But he, too, said that the terms of the financial agreement "favoured" the U.S. and that U.S. "honour is at stake."

The former President added that such was the abuse perpetrated by the Iranians, that normal relations with Iran should not be resumed "for a long time."

In what might be seen as a

Continued on Back Page

Bank of America allowed to hold £37.9m

BY DAVID LASCELLES IN NEW YORK

BANK OF AMERICA, the U.S. bank which held the largest chunk of the frozen Iranian assets, yesterday won court permission to withhold about $91m (£37.9m) that should eventually be paid to Iran under the terms of the agreement on the release of the diplomatic hostages.

The bank said in San Francisco that the move was not a challenge to the agreement but an attempt to protect the bank's interests should arbitration of outstanding disputes not be possible. This new twist to the asset saga is a sign of how tangled the legal *aftermath of the hostages re*lease could become.

No other large banks have followed Bank of America's example, but they are keeping their options open. One New York banker said yesterday: "It's still every bank for itself."

Bank of America has attached part of the Iranian deposits it still holds in the U.S. U.S. banks as a whole have about $2bn in Iranian funds in their domestic branches. Under the terms of the agreement this will not be released for several weeks.

The $91m represents Bank of America's share of a $150m (£65m) escrow account provided for by the hostage release agreement to settle a dispute between the U.S. banks and Iran over how much interest Iran should get for the assets while they were frozen.

The $150m sum represents the difference between $650m (£282m) offered by the banks and the $800m (£347m) demanded by Iran. The banks and Iran are supposed to settle this dispute privately, but if they can't, it will go to arbitration.

Bank of America, which held $2.4bn (£869m) of Iranian assets and whose contribution to the escrow account is by far the largest (its contribution was *made by overseas branches),* is worried that someone may successfully challenge former U.S. President Carter's authority to transfer the assets. In that case, the arbitration procedures provided for in he settlement would break down and claims would be thrown back into the U.S. courts.

Banks and companies with claims outstanding against Iran are therefore trying to ensure that there are enough Iranian assets left in the U.S.

Earlier yesterday Mr. Walter Mondale, the former vice-president stressed after talks with President Reagan that the terms of the hostage deal were "court proof."

U.S. outrage grows. Page 4

Tate & Lyle refinery to shut with 1,500 jobs lost

BY JOHN EDWARDS AND NICK GARNETT

TATE AND LYLE is to close its Liverpool sugar refinery with the loss of more than 1,500 jobs. The decision brought protests from unions and Merseyside MPs, as well as from the developing countries which supply the raw cane sugar for the company's three refineries.

Lord Jellicoe, Tate and Lyle chairman, said that the group could no longer afford the losses if the group was to retain its sound basis.

Each 100,000 tonnes of excess refining capacity cost Tate and Lyle between £3m and £4m a year. Liverpool had a capacity of 300,000 tonnes and the group hoped to save around £10m a year as a result of the closure.

Lord Jellicoe said the group was a victim of Britain's decision to join the EEC, which had resulted in an expansion of domestic beet sugar production and a reduction in demand for sugar.

A mass meeting of the refinery's workforce will be recommended this morning to endorse a joint shop stewards' recommendation to resist the closure and seek official union support.

Mr. John McLean, secretary of the trade union committee for Tate & Lyle's operations in the North-West, said it was a "stunning blow, a nasty and horrible decision."

Shop stewards from Tate & Lyle's three refineries—the other two are at Silvertown in London's East End, and Greenock, Glasgow—are due to meet on Monday to discuss the possibility of company-wide union action.

Tate & Lyle results. Page 21
Impact of closure. Page 29
Storey redundancies. Page 7

Mr. Bobby Smith, national food industries officer of the General and Municipal Workers' Union, which is the biggest union at the refinery, said the closure decision was an indictment of Tate & Lyle management and the attitudes of the Government and the EEC towards sugar quotas. The unions, including some of their general secretaries, expect to meet Lord Jellicoe next week.

They will argue that the company should have waited until the new EEC sugar quotas were agreed.

Mr. Smith warned that the unions would do all they could to prevent Tate & Lyle moving excess cane sugar normally destined for the UK, to other Community countries for processing.

They also wrote to the European TUC yesterday seeking a joint meeting with EEC officials on sugar quotas.

Figures for December showed a registered unemployment rate of 15.4 per cent in the Liverpool city area, where Tate and Lyle is one of the biggest employers. In the Merseyside county council area — which excludes Ellesmere Port where there have been recent big job losses at Bowater and Vauxhall — 105,000 people were registered unemployed out of a total workforce of 700,000.

Governments of the African, Caribbean and Pacific developing countries, which send 1.3m tonnes of cane sugar to the

Continued on Back Page

Sir Frederick Wood for NEB

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

SIR FREDERICK WOOD, chairman of Croda International and of the National Research Development Corporation, is expected to be named next week as the new chairman of the National Enterprise Board.

He will succeed Sir Arthur Knight, who resigned two months ago, and is likely to forge closer working links between the NEB and the State-owned NRDC, which he will continue to head.

Details of Sir Frederick's appointment which will be part-time, are being finalised and Sir Keith Joseph, Industry Secretary, hopes to make an announcement next week.

The appointment will be welcomed in some quarters because of the common interests of the NEB and the NRDC, which have worked together on various projects including the NEB's £12m Celltec biotechnology venture.

But there are likely to be some suspicions that Sir Keith, who has never been an enthusiastic supporter of the NEB, may hope that ultimately the board's operations could be *subsumed into those of the* NRDC. A closer working relationship was being discussed in Whitehall before Sir Arthur Knight resigned.

Sir Frederick, who is 54, became well known in the 1960s and 1970s for the way he built up the Croda chemicals group and then, as chairman of the National Bus Company from 1972 to 1978, pulled together the scattered State-owned provincial bus services into a national concern. He left National Bus to take *on the* part-time chairmanship of the NRDC.

The NRDC's main task is to fund new technological projects—it authorised £15m investment in 1979-80—but there have been complaints that it has not done enough work on turning the best inventions into major businesses.

While the NRDC concen*trates on backing individual* inventions and projects, the NEB is mainly interested in funding companies.

Sir Frederick has made it clear that, although he supports many of the Government's policies, he thinks more ought to be done to help industry on matters such as energy costs.

£ in New York

—	Jan. 21	Previous
Spot	$2.4160-4180	$2.4250-4265
1 month	0.75-0.85 pm	1.05-1.15pm
3 months	2.30-2.40 pm	2.60-2.79 pm
12 months	5.00-5.20 pm	4.80-5.00 pm

CONTENTS

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EUROPEAN NEWS

Leslie Colitt visited the Sosnowiec coal mines and the Ursus tractor works in Warsaw to assess Poland's revolution in industrial relations

Silesian miners learn how to take a day off

POLAND'S DEPOSED Communist leader, Mr. Edward Gierek, was recently sighted here visiting his mother in the house he had built for her at Sosnowiec, the mining town where he was born outside Katowice, the capital of Silesia.

The miners in this Polish Ruhr used to aplaud and chant "Sto lat (may he live 100 years)" when Mr. Gierec visited his Silesian power base. Now they speak scornfully of the modern house built for his mother with state funds because the cottage where she lived had allegedly suffered "mine damage."

"Gierec talked beautifully but we were forced to work even harder, including Sundays," said one Sosnowiec miner. "We were called white negroes."

Although most miners in conservative Silesia did not strike last year, they did at the Jastrzebie mines to the south of Katowice and forced the Government last September to agree to a five-day, 40-hour week for all underground miners. Ever since, the auhtorities have tried to get the Silesian miners to work voluntarily on Saturdays, appealing to their patriotism and self-interest.

Only 20 per cent of the miners, those who look after mine maintenance, are obliged to work on Saturdays. The rest have to be lured with double pay. Wages have already risen from Zl 8.500 (£112) a month in early 1979 to Zl 12,000, twice the average industrial wage.

Mr. Boguslaw Helski of the Ministry of Mining in Katowice says the Government wants to persuade 75 per cent of the miners to work voluntarily on Saturdays. But in the first three Saturdays this month only a quarter of the weekday output of 600,000 tons was produced

Coal is Poland's leading hard currency earner. If the shortfall continues, this year's target of 188m tons, out of which 22m to 24m tons are for export, will not be achieved. But even this may have to be revised, as the Solidarity union, representing the miners, and management are jointly working out their own plans for each mine. Their conclusions may well fall short of the Mine Ministry's plan.

At the Czerwone (red) Zaglebie mine in Sosnowiec, the director, Mr. Krzysztof Krajewski, says 25 to 40 per cent of his miners are working on Saturdays and that he expects this figure to drop sharply in the spring and summer when many miners will prefer to till their plots of land.

The Solidarity representatives at the Czerwone Zaglebie mine are learning fast. They are beginning to feel at home in the director's conference room and have already agreed on a production target of 4m tons this year. Last year's output was 4.3m tons.

The mine, one of the larger ones, produced 4.3m tons last year and the target for this year, already agreed on in a compromise between Mr. Krajewski and Solidarity, is 4m tons.

"I'm for a joint workers-management board," he notes. "If they assume responsibility by remembering they are the co-owners of the means of production."

He explains that he is financially responsible for the mine and must deal with people who are also responsible and who know the coal mine.

"This board is not going to be a sports or a strike committee. The men on it will have to learn how to govern."

The Solidarity representatives at the mine are learning fast. They are beginning to feel more at home now in the director's conference room, where they often meet him daily. Mr. Lesczek Witelus, the union leader, a 30-year-old mine mechanic, says it took weeks for his men to get used to resting on Saturdays, and that Solidarity is not going to encourage them to go back even for double pay.

"When spring comes we will organise outings and cultural events on Saturdays, so that the men will know what to do with their free time," Mr. Witelus notes.

Co-operation with the director, he explains, is "not bad," and the mine's Communist Party organisation no longer has its previous influence. Mr. Witelus himself is a party member but says he is not interested in the party's current problems.

"I'm interested in the work*ing people and the* union," he asserts. He says he is staying in the party because he believes in the future it will have a "proper role" in society.

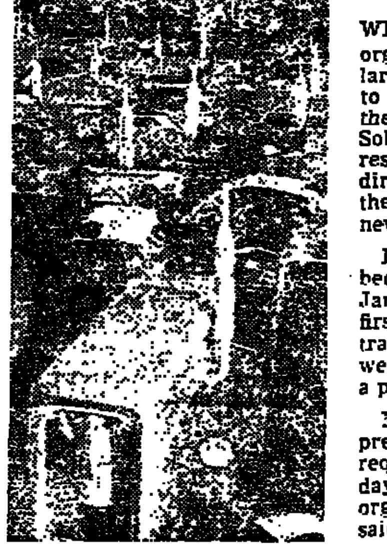
Mr. Witelus says that the exployees' self-management board which is to be set up should consist of 75 per cent "ordinary miners who know the job." He says the board should decide on the level of investments and on "who should be the director." He and his deputy, Mr. Jerzy Gil, a 27-year-old miner in the ventilation department's rescue section, says the main issue will be how to improve working conditions.

"The masks the men wear are badly made," Mr. Gil explains. "And the work here is very dangerous because this is an old mine and the coal which is extracted is easily ignited." On the whole, the two say things have improved for the miners over the past 10 years but that the cost has been high. Sosnowiec coal miners who retire on invalid pensions are, on average, only 42 years old.

Energy review, Page 10

Striking miners in Silesia: the main issue now is working conditions.

Warsaw's tractor-builders look for a better way of working



WHEN THE Communist Party organisation at Warsaw's largest factory recently wanted to dismiss the plant's director, *the local branch of the* Solidarity union came to his rescue. Mr. Henryk Wilk, the director, is still at his post. But the party organisation has a new first secretary.

Party flags and plaques bedeck the office of Mr. Jerzy Janicki, who took over as party first secretary at the Ursus tractor works less than two weeks ago. On the wall hangs a portrait of a thoughtful Lenin.

Mr. Janicki explained that his predecessor had left at his own request and was "taking a holiday." But he was a "first class organiser of production," he said, and would return to Ursus.

Ursus has 17,000 workers, 83 per cent of them Solidarity members, and 7 per cent in a branch of the defunct state-controlled union. Ten per cent belong to neither. There are 3,500 party members, 60 per cent of whom belong to Solidarity. The plant is anything but free of tension, but Solidarity, management and the party are all acutely aware that serious disturbances at Ursus would spread like a brushfire throughout the rest of Polish industry.

In the dispute with the Government over Saturday working, for example, Solidarity refused to work on January 10, but has agreed to work on January 31 instead, a Saturday the Government had designated as free.

"This way there will be more time to negotiate," said Mr. Boleslaw Jagodzinski, a young foundry engineer and a *Solidarity representative at the* plant. "Our principle is to co-operate with the plant management."

Grievances

Each day workers at the six Ursus plants bring their grievances to one of the 50 Solidarity shop stewards. They are mainly welfare and financial problems, and complaints about poor working conditions like excessive dirt and noise and a lack of proper tools. Under the old Government union, most of these problems were not dealt with. The old union took its orders from the party and management.

Ursus is to be one of the first Polish factories to begin workers' self-management. The plans are to establish a 100-member employees' board by March 10, made up of representatives of Solidarity, the old branch union, management, and the Communist Party committee.

Solidarity wants representation according to numerical strength. "We have 83 per cent of the workers," said Mr. Jagodzinski, "and thus should get 83 per cent of the representation on the board plus one or two people from the party and one from management."

He noted that Solidarity wants to "control production decisions," as until now the plans were forced on to the factory from above "whether they were realistic or not."

Mr. Janicki said in his office: "Has anyone heard of a factory anywhere *run* entirely by workers? No one is going to be released from the responsibility of running the factory," he said. "Either we will manage to break out of this deadlock or we will fail."

The employees' board, he explained, should be an "advisory body with experts" to oversee the division of factory funds and help improve working conditions, but which "cannot assume the function of the director or the management cadres."

He said there were two models to choose from in workers' self-management: the Yugoslav and Hungarian.

"But in Yugoslavia factories have gone bankrupt," he said, shaking his head, "and workers have lost their jobs. We would have to introduce unemployment here." The real problem at Ursus, he said, was how to use resources fully.

Mementoes

Mr. Edward Lesnik is technical director of Ursus, and thus second in command. His tastefully appointed office has no party mementoes on its walls, although he is a party member. "But I am not a member of Solidarity," he said.

Mr. Lesnik has met Solidarity representatives at *least once* a week, and he believes co-operation is good. But, in his view, before talking about workers' self-management, he and the union should discuss "greater factory autonomy."

Self-management could achieve much if it gained the confidence of workers and management, he said. The workers had to gain more influence over decisions, but transplanting the Yugoslav system to Poland would be impossible.

Mr. Lesnik had just met Solidarity to provide information on a managerial appointment, after which the appointee introduced himself and was approved by both Solidarity and the party organisation.

Whichever system is adopted *will have to adjust itself to the* people, Mr. Lesnik noted. "In the past, we tried to impose another system here in Poland. And it simply didn't work."

W. Germany may ease arms sales policy

BY ROGER BOYES IN BONN

THE BONN Government, which is reviewing its tight system of arms export controls, may change a crucial formula that bans the sale of weapons to the Middle East and other potential trouble spots.

According to Herr Bruno Friedrich, an executive member of the ruling Social Democratic Party, an exception could be made to the present ban on weapons exports to "areas *of tension" if the customer* is in a "zone of European security interests." The party's special working group on arms sales appears to share this view. Even Chancellor Helmut Schmidt, speaking at a closed party meeting earlier this week, suggested that the existing principles were rapidly becoming out-dated.

The immediate incentive for a change is a Saudi request for some 300 West German-built Leopard II tanks. This has a number of attractions for Bonn *which* would be able to strengthen links with its principal oil supplier, reduce the large trade deficit with Riyadh (the order could be worth as much as DM 5bn) and be a sign of Bonn's willingness to play a wider role

At the same time, the deal would upset Israel and would violate the ban on sales to areas of tension. However, this is only a Cabinet guideline which could be amended without a new law. Indeed, the vagueness of the "area of tension" rule has caused persistent difficulties. For example over whether Chile should fall under this definition.

A specific "European security zone"—qualification would give potential customers a better idea of their chances of securing West German weapons.

It is assumed that Saudi Arabia would be considered part of Europe's zone of security

The problem is whether the Social Democratic party's left-wing deputies will accept such a change, or a Saudi deal. Some fear that the move would open the way towards making West Germany a major arms exporter again. It is already in fifth place, but still a long way behind the U.S., France and Britain.

The sceptics are not just on the Left, however. They include a strong pro-Israel lobby within the party, including Frau Annemarie Renger, a vice-president of the Bundestag, the Lower House of Parliament. In any case, major decisions on the Saudi deal will probably hang fire until the Government has had time to assess President Ronald Reagan's Gulf policy and until the Israeli elections have been held in July.

Top industrialist sounds alarm on economic outlook

BY JONATHAN CARR IN BONN

THIS IS the season when West Germany's economic prophets work at top pressure. Research institutes, expert advisers to the Government and the banks all analyse away, and the Bonn Economics Ministry will produce its own projections for 1981 in the next week or so.

But what do industrialists feel? Is the economy simply going through a rough patch, with an upturn later this year? Or are there deeper, more durable problems?

One industrialist who can hardly be called a professional pessimist is Herr Manfred Lennings, head of Gutehoffnungshuette (GHH), the largest mechanical engineering group in Europe which has 86,000 employees and annual turnover of more than DM 15bn (£3bn). But his comments were far from complacent at the annual company news conference this week on the difficulties facing the economy as a whole and his sector in particular.

Herr Lennings rejected the thesis that industrial investment would continue buoyant and thus support economic growth. Falling use of capacity, a drop in earnings and high domestic interest rates were forcing cuts in investment plans, and the drive to energy-saving investment was not yet enough to make up for this.

He could not see where the push for an economic upswing was to come from in the second half of this year, and expected clear "minus growth" in real terms (after inflation) for 1981 as a whole.

He also opposed suggestions, which are already emerging from the political Left, that the state should step in with another spending programme to try to boost economic growth. It would be far more useful, he said, if at least some of the delayed projects in power station, road and industrial plant construction could be pushed through. He put the total investment sum currently blocked by environmentalists, court rulings and procedural delays at between DM 60bn and DM 80bn. This is equivalent to a good 4 per cent of gross national product.

Most of all, Herr Lennings said, a long-term conception was needed to make up for the failings of past years. He stressed that throughout the 1970s the proportion of West German GNP going to investment had fallen and now stood at about 21 per cent, compared with about 30 per cent in highly-competitive Japan.

Herr Lennings can see no impetus for an economic upswing in the second half and expects "minus growth" in real terms this year.

Likewise in Japan the companies in the key industrial sectors had improved their financial structure by cutting their proportion of borrowed funds. In West Germany the trend had been the reverse.

Herr Lennings noted that about DM 30bn was being spent annually in West Germany on research and development, but that only DM 5bn (£1bn) of this actually went on new products. In the longer term, this was not enough to ensure a good share for West German goods on international markets. Further, the proportion of students choosing to study for an engineering career had dropped from 16 per cent in 1960 to about 12 per cent in 1978. This was a matter of concern for a country which earned its living in large measure from its technical and industrial expertise.

While the deficit in the country's current account, which was close to DM 30bn last year, was partly a result of the higher bill for imported oil, it was also a sign of decline in West German industrial competitiveness.

This grim picture may in part be interpreted as a sign that the annual wage negotiations in West Germany are under way, a time when employers seek to emphasise their difficulties rather than their successes. The unions are likely to argue, for example, that GHH did well last year and should hold its dividend this year.

On the other hand, it would be wrong to dismiss the remarks as purely tactical. The mechanical engineering sector has long been seen as West Germany's powerhouse, employing more than 14 per cent of the country's industrial workers, 11 per cent of its turnover and *no less than 18 per cent of its* foreign sales.

However it looks in danger of losing its supremacy as the world's major exporter of engineering products — and engineering imports have increased sharply as a percentage of West German supply in the last decade. When Herr Lennings sounds the alarm, it is well worth paying attention.

Banks given big cash injection

BY KEVIN DONE IN FRANKFURT

THE BUNDESBANK yesterday added DM 6.7bn of permanent liquidit yto the banking system, a move which will partly replace injections of short term liquidity which have been taken place in recent months.

From February 1 the bank will reduce by 7 per cent the interest free minimum reserves which banks must keep with it, so releasing DM 3.7bn of liquidity. It will also increase by DM 3bn the banks' re-dsicount quotas.

On important effect of these decisions, which are not seen as any general easing of West German monetary policy, will be to reduce the cost of reserves and liquidity to the banks. Their profits are under pressure partly because of high interest rates an dbankers have been complaining about the interest free reserves, totalling DM 35.4bn in December, which they have had to keep with the Bundesbank.

On February 4 some DM 9.9bn of repurchase agreements between the banks and the Bundesbank expire. These agreements, which inject temporary liquidity into the economy, cost the banks 9 per cent, compared with the 7.5 per cent the Bundesbank charges for discount funds.

It is generally assumed that at most DM 3.4bn of this business will be renewed, and it is possible that none will be. On these grounds, as well as in the light of recent Bundesbank statements about the need to protect the D-Mark and finance the current account deficit, it is argued that the new measures are not a relaxation of the bank's monetary stance.

They will, however, enable the Bundesbank to counter further domestic criticism that its monetary policy is too restrictive in view of the weakening economy, by pointing out that it is furnishing adequate liquidity to the banking system.

Seized Bokassa papers returned

BY DAVID WHITE IN PARIS

THREE MONTHS after being accused of a cover-up in the Bokassa diamonds affair, French legal authorities yesterday handed back a series of key documents to the man they were seized from, ex-soldier and writer M. Roger Delpey.

The documents alleged to include lists of presents sent by the former Central African dictator to President Giscard d'Estaing and his family, were removed last October from evidence due to be presented to a State security court.

M. Delpey, 54, is awaiting trial before the security court on charges of collusion with Libya against French national interests. He was released from jail after six months in November.

The documents were among those taken from his home when he was arrested outside the Libyan embassy in May.

Heads roll in Turkey's state industries

By Our Foreign Staff

TURKEY'S MILITARY junta has started a purge of the heads of the country's important State Economic Enterprises and has brought in retired generals to take over state television and radio and the country's information department.

It has also apparently diluted the powers of Mr. Turgut Ozal, the Deputy Prime Minister who heads the economic strategy approved by the International Monetary Fund. Until now, he has chaired the co-ordination board of technocrats which guides the economy.

Officials told Reuters in Ankara yesterday that this board is to be replaced by a "high co-ordination board" headed by retired Admiral Bulend Ulusi, the Prime Minister, and including Mr. Ozal and other Ministers directly involved with the economy.

Those to be replaced include the heads of TEK, the electricity board, of TKI, the coal board, of Etibank, the minerals organisation of Petrol Ofisi, the petrol distribution company, and of Borusan, the pipeline company, according to government officials.

The officials said that the purge was aimed mainly at senior executives picked by previous political leaders. Before the coup last September, Mr. Suleyman Demirel, had made sure that most key posts were filled with his supporters.

A number of the dismissals have already been announced. Others have been approved by the civilian Government and await confirmation by the commanders forming the National Security Council.

Two weeks ago, Mr. Ismail Hakki Aydinaglu, the Governor of the central bank, was unceremoniously forced to resign on the eve of departing for London to attend a meeting with banks to discuss rescheduling $3.2m worth of private debt.

Three Deputy Governors of the central bank have now reportedly been asked to resgin. However, the Government appears committed to the economic programme of Mr. Ozal which aims at boosting exports and foreign investment and encouraging free market forces.

Yugoslav tax rises

The general turnover tax in Yugoslavia has been increased for most goods except basic foodstuffs, write our Belgrade correspondent. Some other levies on oil derivatives have also been increased. High octane petrol now costs 37p per litre but a 20 per cent discount for foreigners has been maintained.

Steel output falls sharply in EEC

BY GILES MERRITT IN BRUSSELS

SENIOR EEC government officials meet in Brussels today to discuss the outline of a new concerted restructuring drive in Community steel industries.

Their meeting coincides with the publication of figures by the Brussels-based International Iron and Steel Federation. These demonstrate that the EEC's crisis regime for cutting steel output compulsorily secured sharp reductions during the last two months of 1980, but that for the year as a whole the 8.7 per cent lowering of Community output against 1979 was largely due to an almost 50 per cent drop in British production.

European Commission officials are to present two separate papers on the steel restructuring issue at today's talks, with the aim of establishing a new framework for nego*tiations in the Council of* Ministers in March.

Although the latest steel production figures show a considerable improvement in terms of lower output, the more fundamental problem of overcapacity in the EEC steel industry has worsened seriously.

On average, Community steelmakers are working at only 56 per cent capacity, against 70 per cent a year ago. The aim of the restructuring measures, agreed in 1977, was to use the protective umbrella of the voluntary "Davignon Plan" for prices and delivery to achieve a capacity figure of 85 per cent in crude steel. However, temporary improvements in market conditions, coupled with plant coming on stream, have produced a further deterioration.

The Federation's output figures, nevertheless, show that the EEC's "manifest crisis" regime adopted last November has been widely observed. In comparison to the 10.44m tonnes *of crude steel produced in the* Community last October, the November figure stood at 9.9m tonnes and December's was 8.6m tonnes.

Brussels staff strike in bitter dispute over pay

BY JOHN WYLES IN BRUSSELS

SEVERAL THOUSAND employees of the European Commission were on strike yesterday in protest at a determined attempt by EEC governments to reduce pay and conditions advantages enjoyed by Community employees.

With 1,500 Council of Ministers' staff also taking disruptive action, the stage appears set for a bitter confrontation with member governments which could seriously dislocate the Community's work.

There is nothing new about conflict between the governments and the Community's employees. But a decision by the Council of Ministers this week to change the method of determining staff salaries and to try to "harmonise" those salaries with the pay of national public servants has sparked a serious conflagration.

West Germany undoubtedly has been the motive force behind this year's attack on staff salaries. As the EEC's *main* paymaster, it has a vested interest in keeping costs down. But pressure on the Bonn Government from its own parliamentarians has also been an important factor.

Comparisons with Brussels salaries are difficult to make, but last year the West German Government produced figures suggesting that senior Commission officials were earning, after tax, more than double their *Bonn counterparts.* Thus, the head of a Commission directorate-general earns about £45,000 and pays a lower rate of tax than his counterpart in a national bureaucracy.

Community pay rises are traditionally determined by a formula which refers to increases given public servants in member states. But a negative weighting produces lower pay increases for Eurocrats. This

Herr von Dohnanyi — led the militants.

year the *formula* increase would be 3.3 per cent.

On Tuesday, however, the Council, militantly led by Herr Klaus von Dohnanyi, West Germany's Deputy Foreign Minister, decreed a flat rate increase of £13.20 per month. This is the equivalent of 3.3 per cent of the very lowest staff grade.

The Council also set itself the task of devising a means of harmonising Eurocrats' pay with national bureaucracies by April 15. Union leaders here see this as a deliberate attempt to downgrade the quality and importance of Community institutions.

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Regan says tax cut pledges may be broken

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

Mr. Regan . . . budget fears.

MR. DONALD REGAN, the new U.S. Treasury Secretary, confirmed yesterday that the Reagan Administration's tax-cutting initiatives might not be as deep and as far-reaching as some in the government want and as Mr. Ronald Reagan promised in his election campaign and inaugural address.

In an interview with the Washington Star yesterday, Mr. Regan said consideration was being given to delaying the pledged 10 per cent cut in personal income-taxes until later in the year, rather than making it retroactive until January 1.

He added that he could not see the imperative of cutting capital gains taxes further, because any reduction in individual income-taxes would have the automatic effect of lowering the levy on capital gains.

His fear clearly is that drastic tax cutting would only increase the federal budget deficit further, necessitating even deeper cuts in public spending than the Congress could allow.

Mr. Regan did stress that the President remained committed to the so-called Kemp-Roth principle of 10 per cent a year tax cuts in each of the next three years.

But Dr. Arthur Burns, the former chairman of the Federal Reserve, told a Congressional Budget hearing this week that Mr. Reagan could preserve his comitent to Kep-Roth without necessarily sticking rigidly to the prescribed numbers.

Hhe said that personally he did not favour any cut in personal ineome-taxes this year, though he acknowledged the new President's political commitments.

His advice was to keep the reductions below 10 per cent and not to make them effective until July or October and to give first priority to trimming public spending.

The other side of the coin is represented in the new Administration by Mr. David Stockman, the Budget Director, and Mr. Paul Craig Roberts, selected as Assistant Secretary of the Treasury for Economic Policy.

Mr. Roberts expressed his views yesterday in an article in the Wall Street Journal, whose editorials he wrote for many years. The point of supply side economics, he argued, was "to increase the incentives to produce new income by lowering the rate at which it is taxed, not at returning dollars to the taxpayers' pockets."

In other words, "higher growth results from higher production, which lowers in'ation," he wrote.

But even he seemed to acknowledge that he debate inside the Administration which he is joining is far from decided. "If the Reagan Administration can keep in mind the reason why it wants to cut taxes, it may have a fighting chance of keeping its tax policy from being held hostage by budget considerations."

"Otherwise it may lose its nerve in the face of budget deficits projected by static revenue estimates."

It is not yet clear where the latest member of the Reagan economics team, Mr. Murray Weidenbaum, picked as Chairman of the council of Economic Advisers, will line up in this internal debate.

Mr. Weidenbaum's expertise is in the cost to the economy of Federal regulation, which will be an integral part of the Reagan approach. But the council also draws up the working economic hypothese and models which underpin policy initiatives.

Mr. Weidenbaum's previous government experience would tentatively appear to place him on the side of the more cautious and pragmatic, that is, in the Donald Regan camp.

David Lascelles in New York writes on Mr. Harold Williams, Securities and Exchange Commission chairman

Exit the champion of causes

Mr. Harold Williams . . . a corporate crusader.

ONE OF the many casualties of Mr. Jimmy Carter's defeat at the polls was Mr. Harold Williams, the chairman of the Securities and Exchange Commission, who is to resign 15 months early to enable President Ronald Reagan to appoint his own man.

Reagan aides have already indicated that they want to make big changes at the SEC, to tone down its role as guardian of the interests of the country's investors, and make it more involved in streamlining the capital formation process.

But while some people have criticised the SEC during the Williams era for being over-zealous in policing the corporate boardrooms, Wall Street generally believes he did good for the financial markets: he made some useful changes, but he also respected the evolutionary processes which are modernising the markets anyway.

A former chairman of Norton Simon, the large food company, and dean of the University of California's business school, he liked to stress his business background because, although a lawyer like many of his predecessors, he also had corporate experience. But partly because of the legacy he inherited and the nature of the job, Wall Street had to be his prime concern. The financial community generally liked the way he balanced an interest in reform with a reluctance to force the pace, despite strong political pressures from Washington.

Mr. Williams took office soon after Congress had mandated the creation of a nationwide securities trading system with the 1975 Securities Acts amendments. The idea was to blend all U.S exchanges together to give a stock buyer or seller access to the biggest possible market.

But it ran into many obstacles, some technical — how do you hook up traders thousands of miles apart? — some arising from the threat it posed to the dominance of the New York Stock Exchange and its big members. Mr. Williams encouraged brokers to instal the necessary electronic equipment, with the result that all exchanges can now swap information. But the reality of a nationwide system is still far off.

Politicians and some big institutional investors say this is because Mr. Williams dragged his feet. But Wall Street shares his view that reforming share-trading should be an evolutionary process, not a prescribed one. Mr. Williams himself often said it would be as difficult to change the way America's vast stock exchanges operate as it would be to change the wheels on a speeding train without knocking it off the rails.

Wall Street also owes a debt to Mr. Williams for backing proposals for a sharp cut in capital gains tax, from 49 per cent to 28 per cent, even though the Carter Administration was against it. The cut, which took effect in November 1978, is generally felt to have aided the capital-raising process, although it has not produced any major surge in the financial markets.

Other causes championed by Mr. Williams include freeing certain securities for taking off the floor of the exchanges, which has improved competition, and preserving fixed price underwriting, which probably has not, although Wall Street maintains it is essential to the orderly floating of new issues.

Mr. Williams took office while the securities industry was still reeling from the abolition of fixed price commisions, which triggered a massive merger wave on Wall Street as firms sought refuge in numbers. But concerns about brokerage failures are now past. Instead, Mr. Williams is urging firms to strengthen their operations, partly by preparing for days when 100m shares would be traded on U.S. exchanges. (Ironically, this figure was first reached the day he announced his resignation. Wall Street did not, a some people feared, choke on the paperwork, which is itself something of a tribute to Mr. Williams.)

One of his worries is the growing tendency of brokerage firms to diversify into such new areas as insurance and real estate to cushion against volatile financial markets. At a recent convention of top Wall Street executives in Florida, he urged them to concentrate on building up their traditional activities.

But if the securities industry generally takes a favourable view of Mr. Williams's record, the feelings of company directors, accountants and lawyers range from mixed to downright hostile.

Mr. Williams's crusade for better "corporate governance" was inspired by a desire to make Boards better informed and more accountable, and generally to ensure that their relations with shareholders had more meaning. This took him into several prickly areas.

Once a member of 16 boards himself, he tried to reinforce the independence of directors from management by demanding a larger "outside" representation in company boardrooms. Although there was already a general trend in this direction, Mr. Williams wanted to speed it up to the point where ultimately the only in-house member of a board was the chief executive officer.

Not surprisingly, corporate America reacted quite strongly. Many people questioned whether "corporate governance" was an area of legitimate concern for the S.E.C. in the first place.

The business world also felt Mr. Wiliams did not keep the commission's enforcement division sufficiently in check, but allowed it to become over-zealous in its pursuit of alleged corporate mismanagement. "He could have been a stronger chairman in relation to his staff," commented a leading New York securities lawyer, a remark aimed pointedly at Mr. Stanley Sporkin, head of the commission's enforcement division, who made a name for himself pursuing companies for "questionable payments" — the euphemism for bribery.

Recently, though, Mr. Williams tried to allay corporate fears about provisions of the 1977 Foreign Corrupt Practices Act (spawned by the bribery scandals of the early 1970s). It would not be used to hound corporate officers or pick through company acounts with a fine-tooth comb, he said.

Mr. Williams was specially interested in expanding the use of inflation accounting, an area where the accounting profession felt it could manage without the commission's help. Partly through his prodding, however, inflation accounting is becoming standard practice in big corporations. Company disclosure requirements have also become more streamlined, and investors are being given useful information, not stacks of obscure statistics.

Standard Oil of Ohio advances
General Electric moves ahead
International Paper better
Details, page 24

Soviets 'may find Reagan easier'

BY REGINALD DALE

THE SOVIET UNION could find it easier to deal with the new Reagan Administration than with that of President Carter. But relations between Washington and its European allies may become further strained.

These are two of the conclusions of a survey of American foreign policy under President Reagan published in London this week by the Royal Institute of International Affairs.

To the Soviet leaders, President Carter was no "dove," the survey says. He was responsible for human rights campaigns, the boycott of the Olympic Games, and for increases in the U.S. defence effort.

"He failed to carry Congress in the Strategic Arms Limitation Treaty (SALT II) and vacillated in overall foreign policy in a way that confused allies as well as adversaries.

President Reagan is known to the Russians as a long-standing "cold warrior," but he prefers American power to be expressed by building up military strength rather than by imposing grain embargoes and Olympic boycotts.

As a hard-liner he will be in a stronger position to carry out promises to the Soviet Union agreed to at the executive level —on which American Presidents have not had an impressive record over the last six years.

The "hawkish" President Nixon, the survey points out, is remembered with fondness in the Kremlin for one of the more ruitful periods of U.S.-Soviet relations.

The West Europeans, on the other hand, are likely to cause irritation in Washington over the level of their defence spending—together with American suspicions over Europe's continued belief in detente, its reluctance to host U.S. nuclear weapons and its separate Middle East initiative.

This could lead to a revival of interest in reducing American forces based in Europe, a greater unilateralism in U.S. defence and foreign policy, and increasing disregard for European views and sensitivities, the survey concludes.

• *President Reagan and American Foreign Policy (Royal Institute of International Affairs, Chatham House, 10, St. James's Square, London SW1Y 4LE, £3.50).*

Abortion debate gathers pace

By Our U.S. Editor in Washington

ONE OF America's major social battles this year, the right of women to abort unwanted pregnancies, was joined in earnest yesterday, the eighth anniversary of the Supreme Court ruling legalising abortions.

The initiative appears to lie with opponents of abortions, under the umbrella of the Pro-life movement.

Thousands of them marched through Washington yesterday and their leaders were to be entertained in the White House by President Ronald Reagan.

Senator Jake Garn from Utah yesterday formally introduced into Congress a constitutional amendment which would prohibit all abortions except when the mother's life is in jeopardy.

Brazil frees controls on bank interest rates

BY RIK TURNER IN SAO PAULO

THE BRAZILIAN Government has freed interest rates charged by the Banco do Brasil and other commercial banks in a measure designed to encourage private companies to seek loans overseas and to reduce the inflationary pressures of a high demand for domestic credit.

The measure, announced this week, puts the finishing touch to the policy of Sr. Delfim Neto, the Planning Minister, of "stringency without recession" to alleviate annual inflation of more than 100 per cent and a balance of payments current account deficit of $12bn (£5.2bn) at the end of 1980.

Immediately following the decision, the state-owned Banco do Brasil, the country's largest commercial bank, announced increases in its interest rates. While small and medium companies receive Government assistance, which will effectively hold their rates to between 40 and 45 per cent, the bigger companies will have to pay around 73.8 per cent a year on loans.

Other commercial banks are expected to follow suit. Government hopes that although inflation may rise in the first few months, it should ease off as demand for domestic credit decreases.

The combination of the two measures should lead more private company borrowers ot the international market to seek the $18bn-$20bn which the Government calculates it will need to close the balance of payments gap this year.

OVERSEAS NEWS

PRESIDENT REAGAN: Considering the implications of the agreement on the hostages.

U.S. outrage grows over 'acts of barbarism' by the Iranians

Pressure on Reagan to rip up pact

BY DAVID BUCHAN IN WASHINGTON

IT IS ALMOST certain that President Ronald Reagan will not rip into pieces the papers signed this week in Iran — but if, as one of his first acts in the Oval Office, he were to go on national television and do so, it would provide no small satisfaction to a swelling mood of public outrage about Iran's mistreatment of the 52 American hostages.

The Reagan Administration said yesterday it intended to carry out the agreement provided its terms were consistent with American and international law.

Mr. Jimmy Carter, the former President, clearly feels his negotiators struck the best political, financial and legal terms that could be got from Iran. But he has lent his weight *to the uproar* about the hostages' captivity. After an emotional meeting with the freed diplomats at the Wiesbaden hospital, he angrily accused the Iranians of committing "acts of barbarism."

Mr. Carter called the tales of beatings, solitary confinement, mock firing squads and other forms of psychological deception "much worse than had been revealed."

Wittingly or not, he thus gave some support to those in the Reagan Administration, on Capitol Hill, in the public and media, whose gut reaction is that America has moral grounds for tearing up the unfufilled part of the hostage agreements.

The Wall Street Journal has this week carried an editorial headlined "Renounce the Deal." and this line of thinking has appealed to some Republicans who argue that the shortcomings of Mr. Carter's Presidency should not be visited on their new Administration.

It was thus to be expected that the Reagan White House would let it be known that until *it has read all the fine print* of the hostage agreements, it would not commit itself to abiding by the terms.

Mr. James Brady, the new White House Press Secretary, said the U.S. "remains bound by the terms of international law and custom," whereby agreements signed by one President are generally honoured by another. Clearly, going back now on Mr. Carter's word might be taken, abroad at least, as putting the U.S. on a moral par with the Ayatollah's Iran.

On the other hand, the Reagon Administration is not blind to the established practice that agreements made under duress, such as in a kidnapping, are not binding in a court of law.

Mr. Carter, of all people, would not deny Iranian duress — he now has no hesitation in joining Mr. Reagan in calling Iranians "kidnappers and barbarians."

President Reagan has made clear that he wants to make a clean break with the previous Administration's way of handling terrorism in general and the seizure of American diplomats abroad in particular.

Mr. Carter was perceived as being too feeble in threatening U.S. retaliation before, during and shortly after the Tehran Embassy take-over, and then making far too much a fuss of the hostages thereafter.

Mr. Reagan has tartly said the hostages should always have been viewed as prisoners of war, about whom one does not negotiate, because the U.S. and Iran have been, in effect, in a state of war.

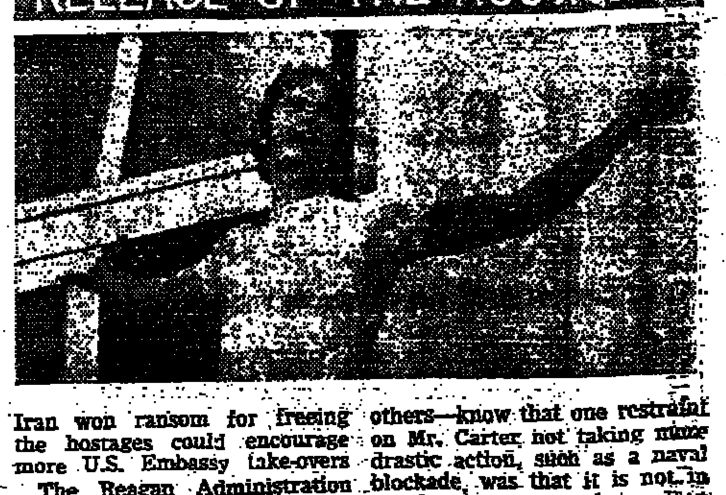
Obviously, any perception that Iran won ransom for freeing the hostages could encourage more U.S. Embassy take-overs

The Reagan Administration has to weigh whether its "clean break" on anti-terrorist policy should start as early as a denial of the Carter agreements with Iran. The pressure is there, with some in Congress calling for a reimposition of trade sanctions on Iran, which Mr. Carter had just lifted.

The strategists in the Reagan team—Mr. Alexander Haig, the new Secretary of State, and others—know that one restraint on Mr. Carter not taking more drastic action, such as a naval blockade, was that it is not in the U.S. interest to bring Iran to the state of internal collapse that would invite Soviet intervention on the shores of the Gulf.

As full reports of hte hostages' maltreatment come out, the U.S. is in no mood to help Iran with arms supplies. Nor is there an inclination among wiser heads in Washington to bring Iran further to its knees.

RELEASE OF THE HOSTAGES



Islamic delegation woos Iranians

BY RICHARD JOHNS, MIDDLE EAST EDITOR

MR. HABIB CHATTI, Secretary-General of the Islamic Conference Organisation, left Taif yesterday with a three-man delegation in a bid to persuade Iran to send representatives to the Islamic meeting starting on Sunday in Taif.

The conveners of the meeting, only the third of its kind, are still desperate to obtain Iranian representation. Though not top of the agenda, preparation of the ground for a ceasefire and eventual settlement of the Iraq-Iran war, is the major priority of the Moslem community particularly Saudi Arabia and Algeria.

It seemed last night that Mr. Chatti's mission would be abortive. He departed with the Foreign Ministers of Turkey, Pakistan and Guinea despite a warning by Mr. Behzad Nabavi, Iranian Minister of Executive Affairs, who handled the hostages issue, that he would not succeed if President Saddam Hussein of Iraq was present in Taif.

Mr. Chatti was quoted yesterday as saying that the mission would not proceed to Tehran unless the regime agreed to receive it. But there seems little hope of compromise.

President Abolhassan Bani-Sadr is known to be in favour if Iran stating its case to an assembly including the leaders of 39 countries.

Earlier this month King Khaled wrote a personal letter of invitation to Mr. Bani-Sadr. It was misdirected by the Foreign Ministry to the office of Mr. Mohammed Ali Rajai, the Premier, who passed it onto the religious leadership.

Ayatollah Khomeini virtually *ruled out the participation of* Iran when he said that Iran would not sit down with "murderers," making it clear that he was talking about Mr. Hussein.

The only way in which the deadlock might be broken, therefore, would be for the Iraqi President not to appear in person. *There has been* nothing to indicate that Mr. Hussein, who has developed close relations with the Saudi regime, will stay away.

Algeria is understood to be planning an initiative to bring an end to the war of attrition between Iraq and Iran. According to Algerian diplomats, it has seen its vital role in nego*tiating the release of 52 Ameri*can diplomatic hostages as a forerunner to a solution.

Saudi Arabia, the host, is also anxious that the summit should lead to reconciliation and is reported to have a plan of its own

MR. BRUCE LAINGEN, former U.S. chargé d'Affaires at the U.S. Embassy in Tehran—who was one of the hostages—gives a victory wave at the Wiesbaden Air Force Hospital, West Germany.

Captives denied food and sleep

BY STEWART FLEMING IN FRANKFURT

THE U.S. State Department yesterday gave new details of the mistreatment it said was dealt out to some of the American hostages in Iran. They included long periods deprived of food or being manacled to chairs for two weeks at a time.

In their second day of freedom in the military hospital in Wiesbaden, the former hostages began the process of "de-compression" and debriefing which has been planned to help them adjust to their return to normal life.

Against a background of reports from relatives in the United States who have been talking on the telephone to the former hostages, Mr. Jack Cannon, the State Department's Deputy Spokesman said that in the course of the first conversations with the Americans since their return, "we are continuing to uncover cases of serious mistreatment. The evidence is mounting that shows much more extensive mistreatment than we had evidence of before."

Mr. Cannon said that no systematic pattern in the mistreatment of the hostages had emerged. But he would not comment on the question of whether or not members of particular departments of the U.S. Embassy in Tehran had been *singled* out for mistreatment.

He did say however that several of the hostages who attempted to escape were severely punished. In general however he suggested that how well or badly hostages were treated depended in large measure on the character of particular guards who held them.

He said that some hostages were seriously deprived of food, living on bread and water for two weeks or being forced to exist on dried milk with worms, that others were deprived of sleep, required to stand shivering in the cold for long periods or, manacled for up to 14 or 15 days to a single folding chair. Others were kept in solitary confinement for periods of well over 100 days. He said that there were no reports of sexual abuse of specific physical injuries.

Surge of cash to Switzerland unlikely

BY JOHN WICKS IN ZURICH

THE PROVISIONAL settlement of Iranian claims on the United States is expected to lead to no new surge of international investments via Swiss banks' fiduciary accounts.

Substantial re-routing of Arab and other funds into these turntable accounts had taken place when the President first announced the freeze of Iranian assets. This contributed to a swelling of Swiss banks' fiduciary holdings abroad by one-third, to SwFr 112.8bn (£25.9bn) between the end of 1979 and September 30 1980.

According to a recent report by Swiss Volksbank, accounts are held to a large extent by oil exporting countries, multinational corporations and big institutional investors. Investors wanting to move their money out of U.S. accounts are said to have used this method for a long time. The de-blocking of the Iranian assets by Washington is felt to have had a positive impact on the investing community.

Fiduciary business is, nevertheless, thought likely to expand further in Switzerland *as outside interest* rates remain high. Recently, plans to introduce a 5 per cent withholding tax on fiduciary accounts were virtually dropped.

The Swiss Government has now rescinded its recommendation to the business community not to profit from the trade boycott against Iran. The recommendation was made last May after Switzerland said it would not join in the embargo.

Figures just released in Berne show that Swiss exports to Iran last year were worth SwFRr 463.7m, higher than the SwFr 368m of 1979, the year of the Iranian revolution, but well below the SwFr 686.2m recorded in 1978.

Mugabe 'to speed land acquisition'

By Our Salisbury Correspondent

ACQUISITION o fwhite farmland for redistribution among needy Africans is to be accelerated in Zimbabwe, Mr. Robert Mugabe, the Prime Minister, said in an interview published in the Zimbabwe press yesterday.

Although he did not go into further detail, he said that only land that "was not being used profitably" would be acquired.

In the interview, Mr. Mugabe renewed accusations that Britain and the U.S. had not provided funds for land acquisition promised at the 1979 Lancaster House conference, and indicated that he may disregard constitutional safeguards on white farm land.

"My Government is not going to allow the position to continue where lack of funds will become a permanent impediment in the way of acquiring land when the people stand in need of that land.

"We committed ourselves to the Lancaster House position because the British and Americans gave us promises—those promises have not been fulfilled," Mr. Mugabe added.

Mr. Moven Mahachi, Deputy Lands Minister, told parliament on Wednesday that the Government had so far bought 192 white farms throughout the country, covering 38.926 hectares.

This included the 130,000 hectares on which around 1,400 families—about 8,500 people—*were resettled in the first phase* of the resettlement programme last year.

Between 4,000 and 6,000 more familites are to be resettled this year, meaning that the Government will have to acquire up to 340,000 hectares more in 1981 to meet its target.

Mr. Mugabe faces several constraints in accelerating land redistribution — one of the most sensitive issues facing him, and one that has elicited taunts from Joshua Nkomo's minority PF-ZAPU party, that the Government is dragging its heels.

One constraint is the Lancaster House constitution, stipulating that land may only be acquired on a willing-seller, willing-buyer basis in remittable funds if necessary.

Another is that the 5,200 white farmers, who control 14.8m hectares, including 4.7m hectares of top-quality land, employ a third of the cash economy work force, feed the nation and are the country's prime foreign exchange earners.

Britain has *offered* £20m, to be matched by a similar amount from the Zimbabwe Government, for land settlement purposes *from* its overall £75m sterling, three-year aid package.

S. Africa Parliament will test Botha's promise of reforms

BY QUENTIN PEEL IN JOHANNESBURG

A CRUCIAL new session of the South African Parliament, which could result in a lasting split in the ruling National Party, or an end to the cautious reformism of Mr. P. W. Botha, the Prime Minister, opens in Cape Town today.

Major items of legislation, affecting important planks of South Africa's Apartheid system, such as black mobility, industrial relations, and education, are likely to be introduced.

But the real question hanging over the annual session of the all-white legislature is whether Mr. Botha can give substance to his promises of race reforms, without losing control of his own party in the process.

The biggest visible change is that Parliament will open for the first time without an upper chamber, the Senate which has been replaced by a constitutional advisory body, the multiracial President's Council, which is not part of the Parliament.

That body begins its life with its credibility already severely dented. Although multi-racial, it excludes any representatives of the majority black population, and has been boycotted both by the Labour Party—the largest political party representing the coloured people (of mixed race)—and by the official white opposition, the Progressive Federal Party.

But the President's Council represents a key element in Mr. Botha's plans for reform, and it is within it that the real battle for control of the ruling National Party will take place.

The principal task facing the Council is to come up with a new constitutional dispensation which will include not only the existing ruling 4m white minority, but also the 2m coloured population, and 750,000 Indians.

If Mr. Botha's supporters have their way, it will recommend that all three groups be incorporated in the existing white Parliament, albeit based on separate voters' rolls, and with no suggestion of black representation.

Such a proposal would almost certainly precipitate a big defection from the ruling party by the so-called Verkramptes (reactionaries), led by Dr. Andries Treurnicht.

They argue that any inclusion of different race groups in the white Parliament amounts to an unacceptable dilution of pure racial separation.

On the other hand, if Mr. Botha cannot propose any real progress towards political power-sharing for the Coloureds and Indians, he will lose what little non-white sympathy he has painstakingly won from moderate leaders such as Mr. Sonny Leon, former leader of the Labour Party.

Despite strenuous efforts in the two years since he became Prime Minister, Mr. Botha has yet to stamp his control on the National party. Instead, he has sought to bypass its extremely conservative majority in a number of ways.

He has built up the power of the Prime Minister's office by incorporating key planning functions in what was formerly no more than a Cabinet secretariat, and at the same time overhauled the top echelons of the Civil Service to bring in more enlightened bureaucrats to key positions.

The other major change has been to promote the power of the military, where he was previously Minister of Defence, by giving much greater prominence to the military-dominated State Security Council, and by installing military members on all inter-departmental committees.

Thus, policy planning has been taken away from the party structure, and kept firmly under Mr. Botha's control. In some ways, this deliberate derogation of party functions has only served to aggravate his opponents in the party caucus.

But even if Mr. Botha succeeds in pushing reforms through or past his own party caucus, the question remains about how far he will go to meet rising black aspirations.

The exclusion of blacks from the President's Council alienated even the conservative Homeland leaders, who refused to serve in a subsidiary "Black Council."

Urban black leaders are even less inclined to enter into a dialogue—and the banning of the two leading black newspapers, the Post and Sunday Post, on the eve of the Parliamentary opening, has probably further alienated them.

Mr. Botha's present concept of reform seems to be a streamlining of the Apartheid bureaucracy to accommodate greater economic flexibility, while maintaining strictly separated political structures for blacks. That is the essence of the reforms so far announced for the coming session.

Whether Mr. Botha can provide enough benefit for an élite class of urban blacks from South Africa's current economic boom, to create a buffer group against more radical black aspirations to majority rule, is the ultimate question he must face.

● Mr. Kobie Coetsee, South Africa's Minister of Justice alleged yesterday that the reason for banning the black newspapers, the Post and the Sunday Post, was that they were "aimed at creating a revolutionary climate in South Africa."

Denying that the move was an attack on Press freedom, he said that the newspapers—the largest for black readers in South Africa—were being used to propagate the views of "certain illegal organisations." He gave no examples. The claim was vehemently denied by the Argus company, publishers of the papers.

FINANCIAL TIMES

INDIA AS A WORLD TRADING PARTNER

CONFERENCE

Foreign borrowing to rise

By K. K. Sharma in New Delhi

INDIA'S NEEDS for commercial borrowings from abroad to fund its development plans and ways to meet energy erquirements dominated the final day's proceedings yesterday of the conference "India as a World Trading Partner," organised in New Delhi by the Financial Times in association with the Federation of India Chambers of Commerce and Industry.

Mr. Michael Madden, director of Standard Chartered merchant bank, referred to the heavy oil import burden on India in relation to total imports and the need for external financing.

Lord Kindersley, director of Lazard Brothers, said his impression was that India is now more willing and able to resort to credit abroad for projects and general development.

In a speech read on his behalf, Mr. D. V. Kapur, secretary in India's Ministry of Energy, he acknowledged that the power industry faced enormous challenges in coping with the demand for power at a time of severe shortages.

Mr. Owen Thomas, vice president of Philips Petroleum, welcomed India's efforts to become self-sufficient in energy and petroleum by opening all potential areas to exploration by the international oil industry.

Mr. P. K. Kaul, secretary in the Ministry of Commerce, sought greater access for products of developing countries to markets of the industrialised world.

Mr. Adrian Evans, managing director of the Asia Pacific division of Grindlays Bank, said the eminence of Indian managers was being increasingly recognised by companies abroad.

Mr. H. S. Singhania, president of JK organisation, said India's import substitution programme had helped boost exports of products that were previously imported by the country.

Mr. R. Bajaj, chairman and managing director of Bajaj Auto, felt the concept of mutual interest had still not been properly accepted by foreign companies in regard to joint ventures in third countries.

Kenya warned of 'hard times' as food queues lengthen

BY MICHAEL HOLMAN IN NAIROBI

A COUNTRY which has prided itself on a generally favourable post-independence economic record enters 1981 facing continuing shortages of basic foods and serious balance-of-payments problems.

Kenya has long been regarded by the West as a showcase mixed economy, in contrast to the shaky record of African socialist states. But food queues are now a common sight in the main towns and have attracted some bitter observations.

The shortages are put down to a combination of poor rains, smuggling to neighbouring countries, panic buying, hoard*ing and, in the case of maize,* unrealistic pricing. The problem has lasted over a year. Despite substantial cereal imports in 1980, at least £30m will have to be spent on further shipments of maize, rice and wheat in the coming year, a burden on the already strained balance of payments. This month Kenya signed an agreement with the U.S. for urgently needed maize imports totalling 70,000 tons, due to arrive in February and March.

The shortages are but one symptom of the economic difficulties faced by President Daniel arap Moi's Administration, in office since August 1980. Another measure of the *decline is the regularity with* which growth targets are trimmed.

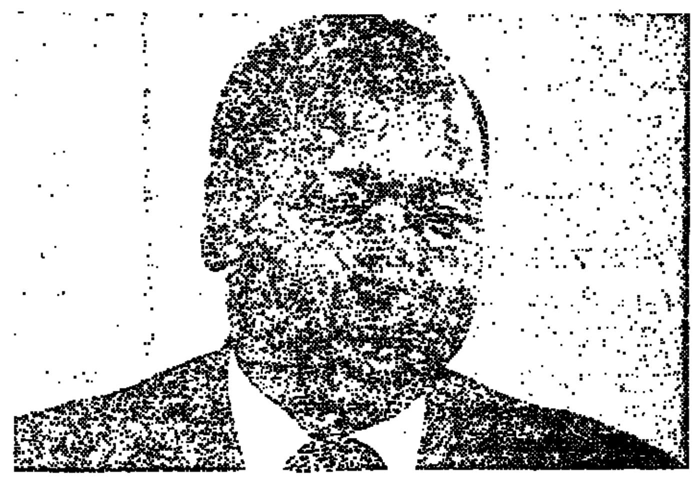
When the fourth development plan, for 1979-83, was published in March 1979, the forecast rate of gross national product growth for 1980 was 7 per cent.

In May last year, a government White Paper warning of a "time of austerity" cut this ambitious target to 5.8 per cent, reducing the forecast average gross domestic product growth rate over the five years from 6.3 per cent to 5.4 per cent. In *last June's* budget, gross domestic product growth in 1980 was put at 3 per cent, but most economists now predict that the year will have seen little if any real growth.

The reasons are not hard to find. Fuel costs are steadily consuming a higher proportion of export earnings, rising from 24 per cent in 1979 to 30 to 35 per cent in 1980.

Prices of agricultural commodities — tea and coffee between them account for around 60 per cent of export earnings—have been falling in real terms. Agricultural output in general has grown at 2.5 per cent a year, well behind the worrying population growth rate of 3.9 per cent.

No relief is in sight, and the half-yearly report from the Economic Planning Ministry warns of "indications that 1981 will be as difficult a year as 1980, if not more." Although coffee production is up from 75,000 tonnes in 1979 to an estimated 89,500 tonnes in 1980, average prices over the period have dropped some 30 per cent. Officials fear that the 1981 crop might be as low as 65,000 tonnes because of poor rains during the critical flowering period.



President Moi: growth targets regularly trimmed.

Poor rain also affected tea, with output likely to fall 22 per cent from 99,300 tonnes in 1979 to an estimated 77,700 tonnes.

One result is that the trade deficit for the first five months *of 1980 was about 40 per cent* higher than in the same period of 1979, and the half-yearly report forecasts a year-end deficit of Ken£350m (£380m). Since April there has been what the Ministry describes as a "rapid depletion" of foreign exchange reserves and the report expects a 1980 balance of payments deficit of Ken£100m.

The current account deficit of over Ken£250m will be financed, says the report, by the reduction in reserves, drawings on International Monetary Fund standby arrangements and long-term capital inflows from private and external public borrowings. In the latter category, Kenya has now drawn its entire $200m Eurodollar loan, despite earlier reluctance to do so because of the high interest rates.

Another disquieting development is the prospect of substantial supplementary budget estimates. The 1980-81 budget deficit was put at Ken£142m, but a further Ken£40m to Ken£50m must be found to meet salary increases subsequently awarded to the civil service.

Meanwhile, Kenya's debt service ratio has risen from 2.3 per cent in 1977 to around 10 per cent this year, according to officials—in part due to repayments on considerable defence commitments in the mid-1970s.

With annual inflation of some 15 per cent also to be taken into account, a worrying picture emerges. Yet what concerns many observers is not simply the disquieting statistics but a growing impression that the Government has a weak grip on the economy — aware of the problems but often failing to implement solutions its own planners have advocated.

At the same time there is widespread unease about corruption. When President Moi came into office he promised a clean administration. But many *observers believe* that malpractices are, if anything, on the increase.

Kenya has always been remarkably frank in assessing its economic problems and warning of hard times. It was the Finance Minister himself, Mr. Mwai Kibaki, who spelt out the difficulties in a keynote speech in which he warned of an impending change from "soft" to "hard" policy options. Efforts to meet intense land hunger, for example, would in future include using marginal, semi-arid areas, whereas in the past former white-owned farms had been redistributed.

In industry, the easy path of import substitution had come to an end and the sector would have to look to export markets.

It is difficult, however, to detect much progress on the hard options. Industry, a net consumer of foreign exchange, is regularly warned that it can no longer shelter behind high tariff barriers and quantitative restrictions. But a look around the region offers little prospect of substantial export markets.

Despite the recent summit meeting of the leaders of Kenya, Uganda, Tanzania and Zambia, prospects for a revival of the defunct East African Community, in which Kenya would be the main beneficiary, seem poor.

The border with Tanzania, closed since 1977, remains shut, and officials do not expect it to reopen in the near future. Hopes that Uganda could once again become a *major market* have yet to be fulfilled. Warm political relations with Sudan and Ethiopia notwithstanding, transport problems alone make these countries a long-term prospect at best.

For over a year the cabinet has been wrestling with a long-overdue national food policy paper setting out the strategy for self-sufficiency and increased exports. The latest draft was once again sent back for revision. In the meantime, damaging anomalies continue—the domestic price of maize, for example, is lower than the world price which Kenya will be paying for 1981 imports of the crop.

Land hunger is certain to continue because under current conditions, the irrigation-based development of arid areas is prohibitively expensive. But the most pressing problem remains the food shortages.

More than you expect.

The new Rover 2300.

Top speed 114mph
0-60 in 11.5 seconds
32.9mpg at 56mph.

The new Rover 2300S.

The important newcomer to the range. Precision power-assisted steering. Luxurious velvet upholstery with front seat lumbar supports. Central 5-door locking control. Stainless steel bumpers and wheel trims. Powerful 4-beam Halogen headlamps. Glove box and map lights. Full carpeting extended to the impressively large boot area. Four tasteful interior colour themes.

Top speed 114mph
0-60 in 11.5 seconds
32.9mpg at 56mph.

The new Rover 2600S.

This model–as illustrated–exemplifies the high levels of comfort, luxury and refinement offered by the new Rovers.

The 2600S has a steel sliding sun-roof. Windows are electrically operated: rear windows have a safety isolation switch. Self levelling rear suspension–characteristic of Rover's high design safety and engineering qualities–is fitted as standard. The new-ratio 5th gear provides even better fuel economy.

Top speed 119mph
0-60 in 10.7 seconds
39.6mpg at 56mph.

The new Rover 3500SE.

Powered by the outstanding Rover aluminium V8 engine. Electronic ignition. Alloy wheels fitted with road-hugging wide section tyres. Twin Halogen front foglamps. A steel sun-roof. And a very distinguished level of appointment, including tinted glass all round, a distinctive coachline, rear seat belts and 4-speaker radio/stereo cassette entertainment.

Top speed 126mph
0-60 in 8.6 seconds
36.3mpg at 56mph.

The new Rover Vanden Plas.

The ultimate Rover. Equipped with electronic cruise control for relaxed, economic driving. Electrically operated steel sun-roof. Electrically adjusted and demisted door mirrors. Connolly leather or hairline velvet upholstery. Bronze tinted glass with special zone tinted windscreen. Exclusive bodyside anti-rub strip. Power-washed headlamps. A smooth, automatic gearbox. Head restraints front and rear.

Top speed 123mph
0-60 in 9.0 seconds
31.6mpg at 56mph

For less than you expect.

Prices from £6758.64

Rover. Success breeds success.

COMPANY NOTICES

aac

TRANSVAAL GOLD MINING COMPANIES ADMINISTERED BY ANGLO AMERICAN CORPORATION

FINAL DIVIDENDS—FINANCIAL YEARS ENDED DECEMBER 31 1980

On January 22, 1981 dividends were declared in South African currency, payable to members registered in the books of the undermentioned companies at the close of business on February 6, 1981, and to persons lodging their share warrants to bearer and talons issued by The South African Land & Exploration Company Limited at the office of the United Kingdom transfer secretaries, Charter Consolidated Limited, P.O. Box 102, Charter House, Park Street, Ashford, Kent TN24 8EQ.

The transfer registers and registers of members will be closed in each case from February 7 to 20, 1981, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about March 12, 1981. Registered members paid from the United Kingdom will receive the United Kingdom currency equivalent on March 3, 1981 of the rand value of their dividends (less appropriate taxes). Any such members may, however, elect to be paid in South African currency, provided that the request is received at the offices of the transfer secretaries in Johannesburg or in the United Kingdom on or before February 6, 1981.

The effective rate of non-resident shareholders' tax for the undermentioned companies is 15 per cent.

The dividends are payable subject to conditions which can be inspected at the head and London offices of the companies and also at the offices of the companies' transfer secretaries in Johannesburg and the United Kingdom.

Name of company (each of which is incorporated in the Republic of South Africa)	Dividend No.	Rate of dividend per share
East Daggafontein Mines Limited	74	15 cents
The South African Land & Exploration Company Limited	79	23 cents
Vaal Reefs Exploration & Mining Company Limited	49	700 cents
Western Deep Levels Limited	36	400 cents

By order of the boards
Anglo American Corporation of South Africa Limited
Secretaries
per: C. R. Bull
Divisional Secretary

Office of the United Kingdom Transfer Secretaries:
Charter Consolidated Limited
P.O. Box 102, Charter House
Park Street, Ashford
Kent TN24 8EQ

London Office:
40 Holborn Viaduct
London EC1P 1AJ
Johannesburg
January 23, 1981

PACIFIC BASIN FUND

10a, Boulevard Royal, Luxembourg

1. NOTICE TO SHAREHOLDERS

At 31st December, 1980, the net assets of the Fund amounted to US Dollars 31.918.360.— and were represented by:

	US$	%
—Investment Portfolio: (Cost: US$ 25.232.840.—) Market value:	31.632.388.—	99.10
—Cash in bank	474.279.—	1.49
—Accounts receivable	849.169.—	2.66
—Less: accounts payable	(1.037.476.—)	(3.25)
Total net assets	31.918.360.—	100.00

The net asset value for each of the 1.532.764 shares outstanding was US Dollars 20.82, figure which is to be compared with an inception price of US Dollar 10.— as at 9th February, 1979.

The investment portfolio was geographically distributed as follows:

Australia	17.77
Hong Kong	22.82
Japan	5.63
Malaysia	22.32
Philippines	1.47
Singapore	23.62
United Kingdom	2.94
United States of America	2.53
Total	99.10

Since the inception of the Fund on 9th February, 1979, its operations resulted in an increase in net assets amounting to US Dollars 23.420.565.—.

The above figures are unaudited.

The informations set forth above are historical and are not necessarily indicative of future results.

No subscription can be received on the basis of this notice.

Subscriptions are only valid if made on the basis of the Current Prospectus (dated May 1979) which will be accompanied by a copy of the latest available annual report and a copy of the latest available semi-annual report, if published after such annual report.

2. DIVIDEND NOTICE

Pursuant to a resolution of the Board of Directors of Pacific Basin Management Company S.A., a dividend of US$ 0.10 per share will be paid on 29th January, 1981, on all shares in issue and outstanding at 15th January, 1981.

Coupons No. 2 of bearer share certificates have to be presented to the paying agent, Banque de Paris et des Pays-Bas pour le Grand-Duché de Luxembourg, 10a, Boulevard Royal, Luxembourg.

Dividend cheques will be sent to registered shareholders.

Copies of the prospectus, Annual Report at 31st December 1979, and Semi-Annual Report at 30th June, 1980, of Pacific Basin Fund can be obtained at the offices of the sponsors:

—Banque de Paris et des Pays-Bas, 3, rue d'Antin, 75060 Paris, France.
—Euro-Kuwaiti Investment Company KSC, Al-Awadi Tower, Ahmed Al Jaber St., Sharq, Kuwait.
—M & G Group Ltd., Three Quays, Tower Hill London, E.C.3, U.K.
—Joseph Sebag & Co. (Far East) Ltd., Hutchinson House, 1001 Hong Kong.
—Watson & Co., 12, Harcourt Road, Gammon House, 1506 Hong Kong.
—Yamaichi International (Europe) Ltd., St. Alphage House, 2, Fore Street, London, E.C.2, U.K.

Annual Report and Accounts at 31st December, 1980, will be available as from 1st April, 1981.

PACIFIC BASIN MANAGEMENT COMPANY SA.
Luxembourg 15th January, 1981.

BOND DRAWING

NORGES KOMMUNALBANK

7¾% 1971/1986 UA LOAN

Bonds for the amount of UA 1.400.000 have been drawn on January 9, 1981 in the presence of a Notary Public. The Bonds will be reimbursed cum coupon no 11 on March 15, 1981. The drawn Bonds are those, NOT YET PREVIOUSLY REDEEMED, included in the range beginning: at 586 up to 2078 incl.

Amount unamortized: UA 7.100.000.

Outstanding drawn Bonds:

3057	3346 and 3347	3433 and 3434
3596	3598	3657
3734 to 3738 incl.	4003	8753 to 8757 incl.
8805	8809	8820 and 8821
8333 and 8334	8914 to 8917 incl.	8929 to 8939 incl.
8945 to 8964 incl.	8991 to 8997 incl.	8999
9080 to 9083 incl.	9097 to 9100 incl.	9121 to 9128 incl.
9130 and 9131	9133 and 9134	9142 and 9143
9161	9191	9195 to 9200 incl.
9259 to 9272 incl.	9283	9304 to 9308 incl.
9321 and 9322	9376 and 9377	9379
9493	9500	9503 and 9504
9599 and 9600	9520	9658
9765 to 9769 incl.	9307 and 9808	9826 and 9827
10012	10059 to 10091 incl.	12270 to 12275 incl.

The Trustee
FINIMTRUST S.A.
Luxembourg, January 23, 1981.

CONTRACTS AND TENDERS

INVITATION TO BID

1. The Martime Bank (Denizcilik Bankasi T.A.O.) invite bids for the supply of machinery and equipment for the following harbour crafts:

(A) Six mooring boats
(B) Two general service boats
(C) Five pilot boats
(D) Four emergency diesel-generator sets for harbour service

The above harbour crafts shall be built at Denizcilik Bankasi own shipyards.

2. D.B. intends to apply the proceeds of a loan granted by the World Bank for the rehabilitation of 10 major ports in Turkey.

3. This bid invitation is only open to suppliers from member countries of the World Bank and Switzerland.

4. Tender documents pertaining to each inquiry above may be purchased against the remittance of USD 50 for each package (4 packages in total) from the following address as from February 2, 1981.

Denizcilik Bankasi T.A.O.
Tersaneler Mudurlugu
Karakoy — Istanbul
Turkey

5. Only bidders which have purchased the tender documents shall be allowed to participate.

BRAZILIAN EQUITY HOLDINGS S.A.

Registered Office
LUXEMBOURG, 15 rue Aldringen

Notice of Annual General Meeting of Shareholders

The annual general meeting of shareholders of 1981 will be held at 27 avenue Monterey, Luxembourg on 2 February 1981, at 11.45 a.m. for the purpose of considering and voting upon the following matters:

1 To hear and accept the reports of: (a) the directors; (b) the statutory auditor
2 To approve the balance sheet and the profit and loss account for the financial year ended 30 September 1980.
3 To decide on the reduction of the share premium account.
4 To discharge the directors and the auditor with respect to their performance of duties during the financial year ended 30 September 1980.
5 To approve the payment of the directors' fees.
6 To elect the directors to serve until the next annual general meeting of shareholders.
7 To elect the auditor to serve until the next annual general meeting of shareholders.
8 Miscellaneous.

The shareholders are advised that no quorum for the annual general meeting is required and that decisions will be taken by the majority of the shares present or represented at the meeting with the restriction that no shareholder either by himself or by proxy can vote for a number of shares in excess of one-fifth of the shares issued or two-fifths of the shares present or represented at the meeting.

In order to take part in the general meeting of shareholders of 2 February 1981, the owners of bearer shares are required to deposit their shares three business days before the meeting at the registered office of the company or with Banque Générale du Luxembourg, S.A., 27 avenue Monterey, Luxembourg.

Bearer or registered shareholders should lodge their proxies with the company three business days before the meeting.

THE BOARD OF DIRECTORS

OLYMPUS OPTICAL COMPANY LTD.
(Olympus Kogaku Kogyo Kabushiki Kaisha)

S. G. WARBURG & CO. LTD., as Depositary hereby gives notice that the Ordinary General Meeting of Stockholders of the Company will be held in Tokyo, Japan, on 30th January, 1981.

The following proposals are included in the Notice of the Meeting:—

1. To approve the Report and Accounts for the 112th business term (1st November, 1979, to 31st October, 1980).
2. Partial change of the Company's Articles:
(a) Change of the Authorised Capital.
(b) Adoption of the system in which the shareholders registered as of a record date, to be fixed by the Company, can exercise their rights.
3. Revision of the remuneration for directors and auditors.

Holders of Bearer Depositary Receipts wishing to exercise their voting rights through the Depositary must complete a Form of Proxy by not later than 26th January, 1981. Forms of Proxy are available at the offices of the Depositary in London or any Sub-Depositary named in Paragraph (2) of the Bearer Depositary Receipt.

S. G. WARBURG & CO. LTD.
as Depositary.
30 Gresham Street,
London EC2P 2EB.
21st January, 1981.

LEGAL NOTICES

COMPANIES W.U. 178
IN THE MATTER OF
C. & F. (CONTRACTORS) LIMITED
AND IN THE MATTER OF
THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the Creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 20th day of February 1981, to send in their full Christian and Surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any) to the undersigned Laurence Jack Gerrard, chartered accountant, of Adam House, 14 New Burlington Street, London W1X 2EU, the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 16th day of January 1981.
LAURENCE JACK GERRARD,
Liquidator

COURSES

SCHOOL OF ORIENTAL AND AFRICAN STUDIES
(University of London)

EXTRAMURAL DIVISION
announce
'WEST AFRICA: CURRENT ECONOMIC AND POLITICAL DEVELOPMENTS'
to be held at the School on
Tuesday 3 March 1981

The seminar will focus on the economic problems and prospects of West Africa's key states (anglophone and francophone), in particular Nigeria, the socio-cultural background to its development and the region's politics and international relations. Fee: £75 including lunch.

Details from:
Assistant Organiser of Extramural Studies
School of Oriental and African Studies
Malet Street, London WC1E 7HP
Tel. No.: 01-637 2388 ext. 573

APPOINTMENTS

BANK LEUMI LE-ISRAEL B.M.

NOTICE TO THE HOLDERS OF U.S.$10,000,000 7 PER CENT GUARANTEED CONVERTIBLE BONDS 1984 AND OF U.S.$20,000,000 7 PER CENT GUARANTEED CONVERTIBLE BONDS 1987 (CONVERTIBLE INTO ORDINARY SHARES OF IS 0.1 EACH OF BANK LEUMI LE-ISRAEL B.M.) OF LEUMI INTERNATIONAL INVESTMENTS N.V.

NOTICE IS HEREBY GIVEN to the holders of the above Bonds that Bank Leumi le-Israel B.M. ("the Bank") is making an issue of — 482,797,200 Registered Ordinary Shares of IS 0.1 each and of a series of 320,932,400 Warrants (Series 10) ("Warrants"). Each Warrant confers the right to subscribe during the period from 1st May, 1981 to 28th February, 1982 one Registered Ordinary Share of IS 0.1 (subject to adjustment) in consideration of the payment in cash of the subscription price of IS 0.37.

The 482,797,200 Registered Ordinary Shares together with 160,932,400 of the Warrants are being offered by way of rights to the Ordinary Stockholders of the Bank and holders of outstanding securities carrying conversion/subscription rights into Ordinary Shares of the Bank in 16,093,240 Units. Each Unit comprises 30 Ordinary Shares and 10 Warrants.

Holders of the 1984 Bonds are entitled to subscribe 1 Unit for every U.S.$35.34 nominal of 1984 Bonds and holders of the 1987 Bonds are entitled to subscribe 1 Unit for every U.S.$47.26 nominal of 1987 Bonds. The price per Unit to those entitled to such rights is IS 18.30 per unit (components IS 0.50 per Share and IS 0.38 per Warrant) payable in full on acceptance not later than 12.30 p.m. on 20th February, 1981.

The Bank has applied to the Tel Aviv Stock Exchange for the listing of the Ordinary Shares and Warrants comprised in the Units as from 23rd February, 1981, and of the Ordinary Shares to be allotted upon the exercise of the subscription rights attached to the Warrants and the said Stock Exchange has given agreement in principle thereto.

The Bank will apply to the Council of The Stock Exchange in London for listing thereon of the Ordinary Shares comprised in the Units. The Bank will not apply for listing on The Stock Exchange in London of the Warrants but will apply in due course for listing of the Ordinary Shares to be issued upon exercise of the subscription rights attached to the Warrants.

Holders of the above Bonds who wish to exercise their rights must apply not later than 12.30 p.m. on 20th February, 1981 for copies of the Prospectus and Application Forms presenting in the case of the 1984 Bonds (unless previously deposited), Talon No. 3 (detached from their Bonds) and in the case of the 1987 Bonds, Talon No. 1 (detached from their Bonds) with their applications to either of the following Paying and Conversion Agents:—

Bank Leumi le-Israel (France) S.A.,
30 Boulevard des Italiens,
75009 Paris.

Bank Leumi le-Israel (Switzerland),
34 Claridenstrasse,
CH-8022 Zurich.

The rights are offered solely pursuant to and in accordance with the provisions of the Prospectus, the form of Warrant Certificate (available for inspection at the addresses of the above Paying and Conversion Agents), this Notice and the Application Forms which last must be duly completed and returned in accordance with the instructions printed on such Forms.

The Securities of this issue have not been registered under the Securities Act of 1933 of the United States of America. Accordingly, the Ordinary Shares and Warrants (Series 10) offered hereby and the Ordinary Shares issuable upon exercise of the Warrants may not be offered or sold, directly or indirectly, in the United States of America (including its possessions and territories and areas subject to its jurisdiction) or offered, sold or transferred to nationals, citizens or residents of the United States of America unless registered under the Securities Act of 1933 of the United States of America or an exemption from registration is available and accordingly copies of the Prospectus and Application Forms will not be sent to addresses in the United States of America or such territories or areas.

Rights to subscribe Units may be bought and sold on the Tel Aviv Stock Exchange through banks and securities brokers, members of the said Stock Exchange, on 16th February, 1981, and any Bondholder wishing so to deal may do so by requesting either of the Paying and Conversion Agents mentioned above to make arrangements on his behalf.

Application Forms and subscription monies will not be acknowledged but certificates for the Ordinary Stock into which the Shares forming part of the Units will be converted will be issued not later than 30th April, 1981, and certificates for the Warrants will be issued not later than 31st July, 1981. Any Bondholder wishing to deal in the Ordinary Shares or the Warrants pending receipt of such certificates may do so by requesting either of the Paying and Conversion Agents to make arrangements on his behalf.

The new Ordinary Shares comprised in the Units will not rank for any dividends declared in respect of the financial year of the Bank ended 31st December, 1980, or for the distribution of capitalisation shares to be submitted for the approval of the Extraordinary General Meeting of the Bank, to be held on 5th February, 1981, but will rank pari passu in all other respects with the existing Ordinary Stock.

The Conversion Price of the Bonds will not be adjusted by reason of the Rights Issue whether or not the rights are taken up. Subject to market conditions, the Bank will between 22nd February, 1981, and 8th March 1981, sell securities comprised in the Units the rights to which have not been exercised provided such a sale (which will be effected in Israel shekels) will produce an amount of net consideration for distribution (after deduction of a sum equal to the subscription price of the said Units and the expenses of sale at the rate of 1 per cent of the consideration). Such net consideration will be distributed proportionately among the persons who were entitled to the unexercised rights. If any such amounts become available for distribution to holders of the above Bonds they will receive the equivalent in U.S. Dollars at the representative rate of exchange as published by the Bank of Israel prevailing in respect of 8th March, 1981. Holders of the above Bonds who do not exercise their rights may obtain the amounts due to them by depositing in the case of the 1984 Bonds, Talon No. 3 (unless previously deposited) and in the case of the 1987 Bonds, Talon No. 1, with either of the Paying and Conversion Agents mentioned above after 8th March, 1981. Holders of the 1984 Bonds are reminded that they have the right to convert their Bonds into Ordinary Shares at any time up to and including 30th June, 1981 and thereafter during the period from and including 1st November in each calendar year up to and including 30th June in the next calendar year up to and including 30th June, 1984. As Ordinary Shares arising on conversion will not entitle holders to participate in the Rights Issue, holders of the above Bonds who propose both to take up their rights and to convert their Bonds in the period to 30th June, 1981, should arrange to take up their rights before they convert.

23rd January, 1981.

PUBLIC NOTICES

BERKSHIRE COUNTY COUNCIL BILLS
£15m due 23rd April, 1981, issued 22nd January, 1981. Average £96.77. £62m applications. £15m outstanding.

CLUBS

WORLD TRADE NEWS

World's airlines meeting to consider fares rise

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE WORLD'S airlines are to meet in Geneva on February 2 to consider fares increases on all routes to take account of the rising cost of fuel.

They will meet against the background of recent OPEC decisions to raise fuel prices by up to 10 per cent, and the fact that the average price per U.S. gallon of aviation fuel this year will rise to $1.40 against last year's $1.22.

Within this average, aviation fuel prices vary widely, from 90 cents a gallon in the U.S., to $1.30 in Europe and $2 in other parts of the world, such as Africa.

The world airlines' total fuel bill in 1981 is expected to amount to $20bn (£8.3bn), against only $2.3bn in 1974. Fuel costs in the early 1970s accounted for about 10-12 per cent of total airline costs, now they account for over 30 per cent, and are still rising.

The airlines, through the International Air Transport Association (IATA) have been trying for some time to agree on an automatic "pass-through" formula, that would enable them to raise fares automatically when fuel price rises reached a certain level.

Many airlines have accepted this idea, but some governments have jibbed at the concept, and so it has not been possible to introduce it. As a result, the airlines must hold a full "traffic meeting" to discuss fares rises, and any proposals resulting from such a meeting must go to governments for approval.

At this stage, it is not clear by how much the airlines will seek to raise fares, but amounts in excess of 5 per cent are being mentioned unofficially in the airline industry.

Any such increases will follow some recent rises in fares and cargo rates already agreed by the airlines, to become effective on April 1.

An average rise of about 3 per cent in all European air fares will become effective on April 1, following a fares meeting of the IATA airlines which ended in Geneva last Tuesday.

For most of Western Europe, the airlines agreed on new rates. But for some routes from European cities to the UK, there was no agreement, and thus present fares will continue until some agreement is reached.

This particularly affects routes from Austria, Belgium, Germany, Holland and Spain to the UK, where those countries are opposed to British Airways' plans to abolish first-class and introduce new cheaper Club and Tourist Class fare concepts.

At another IATA meeting recently, higher cargo rates across the North Atlantic from the U.S. to Western Europe were agreed, upwards from 12 per cent. New rates from Europe to the U.S. have yet to be agreed.

Matsushita set to use Philips' new audio disc

By Charles Batchelor in Amsterdam

PHILIPS, the Dutch electrical group, says that Matsushita of Japan has chosen the Philips audio compact disc now being jointly developed with Sony.

The decision by Matsushita to develop equipment to use the Philips audio compact disc is seen by the Dutch group as a major step forward in gaining world-wide acceptance for its product.

The compact disc is 12 cm in diameter and has a one-hour playing time. Coded signals imprinted in the disc are read by a laser, reducing wear and giving high-quality reproduction.

Philips now expects that its disc will be adopted by the Digital Audio Disc Standardisation Conference, grouping the 45 largest manufacturers "within the next few months." Philips and Sony then plan to launch the new system towards the end of 1982.

The Standardisation Conference has reduced the list of potential candidates to become the world standard from 13 to three. The other two contenders are produced by AEG-Telefunken of West Germany and by JVC, of Japan. JVC is also 51 per cent owned by Matsushita, and it is not yet clear whether the tie-in with Philips means that Matsushita will reject the JVC system.

Acceptance of the Philips disc as standard is a precondition for starting production, the company said. The cassette recording tapes now on sale around the world are an earlier example of a Philips product becoming the international norm.

Philips and Sony are now working on the joint development of the Philips disc, though the two companies started out with competing systems. In October 1979 they agreed to use each other's patents in the fields of optical audio and video disc systems and have since made technical improvements.

W. Germans in £110m Iraq deal

BY KEVIN DONE IN FRANKFURT

ED ZÜBLIN, the West German building and contracting group, has been awarded a major construction contract in Iraq worth DM 535m (£110m).

The order is the first large contract to be won by a West German concern following the Federal Republic's decision last week to start granting guarantees again to companies doing business with Iraq.

West Germany had held back from granting credit guarantees for several months because of the Iraq/Iran war and some companies had complained that provisional promises of export cover had not been honoured by Hermes, the state-backed insurance organisation.

Applications for credit guarantees are being considered again for contracts with Iraq for all areas outside the immediate war zone.

The contract won by Ed. Züblin is for the construction of 16 agricultural colleges.

The schools will be built in a joint venture between the Stuttgart-based group and a local Iraq company.

● Klöckner Industrie-Anlagen, the West German process plant contracting group, has received an order from Czechoslovakia for the construction of a nitric acid plant worth some DM 25m.

Klöckner is the general contractor, but the order for the engineering and supply of equipment has been sub-contracted to Davy McKee, a subsidiary of the UK Davy Corporation, in West Germany.

The plant, which will have a capacity of 58,000 tonnes a year, is due to come into production in 1984.

Hong Kong opens its first Africa trade office

BY KEVIN RAFFERTY IN HONG KONG

HONG KONG'S Trade Development Council today opens its first African office in Nairobi, which marks the determination of the tiny British-ruled territory to go on expanding trade rapidly in spite of the obstacles of protectionism

Africa is only a tiny market for Hong Kong, accounting for less than HK$1.8bn (£150m) of total domestic exports worth HK$56bn in 1979.

Moreover, overall African trade has been slow, but Nigeria, South Africa and Egypt have shown particular promise.

Mr. Len Dunning, executive director of the Trade Development Council, explained that Nairobi has been chosen as the body's first African trade office because of its excellent communications. In addition, the Kenyan capital is close to Zimbabwe which Hong Kong thinks could be a promising new market. Clothing, watches and clocks, and toys and games are among the leading Hong Kong exports to Africa.

In the past few years Hong Kong's Trade Development Council, which is a semi-official organisation, financially supported by a small levy on bills of lading, has greatly increased the number of its overseas offices.

Italian bank for Peking

By Rupert Cornwell in Rome

BANCA COMMERCIALE Italiana (BCI), the major state-owned Italian bank, has been authorised to open a full representative office in Peking. BCI thus becomes only the eighth Western bank to establish such facilities in the Chinese capital.

The new office is aimed at fostering the development of trade between Italy and the Peoples' Republic, and promote industrial joint-ventures between the two countries.

In the first nine months of 1980 Italy's trade deficit with China jumped to L121bn (£58m) from only L17bn in the same period of 1979.

Framatome and Westinghouse to drop ties

By Robert Mauthner in Paris

FRAMATOME, THE French nuclear power station construction company, and Westinghouse of the U.S. are putting the finishing touches to an agreement terminating the licensing arrangements between the two companies.

Framatome, a subsidiary of the Creusot-Loire engineering group, has been building pressurised water reactors under Westinghouse Licence, a deal which has earned the U.S. company some FFr 2bn (£200m) in royalties.

The licence was originally due to run out in 1982 but the new agreement is expected to be concluded within the next few days or weeks.

On paper, it will make Framatome independent of Westinghouse, Creusot-Loire, will take over Westinghouse's 15 per cent stake in Framatone and will thus raise its shareholding to 66 per cent, with the French Atomic Energy Commissiarat (CEA) holding 30 per cent and other companies of the Empain-Schneider group, which controls Creusot-Loire.

In practice, however, the technical co-operation between Westinghouse, which can boast as the largest number of operational nuclear power stations in the world, and Framatome, will continue. But the extent to which the French company will continue to benefit from Westinghouse know-how and research in the future has not, so far, been made clear.

UK hopes rise for India orders

BY MARTIN DICKSON, ENERGY CORRESPONDENT

INTERNATIONAL COMPETITION for involvement in India's major coal mining investment programme intensified this week with two initiatives designed to improve Britain's position.

British officials in New Delhi said the UK and India had agreed to study the possible joint development of two new deep coal mines in eastern India, at Ghusick and Asnapani. The mines would be large, each supplying some 2m tonnes a year.

The agreement, reached at a meeting of the Indo-British Economic Committee, came during a visit to India by Mr. John Biffen, the UK's new Trade Secretary.

A feasibility study will be ready in about eight months. Britain will be willing later to offer a comprehensive financial package for the project.

In a second development, a party from the Association of British Mining Equipment Companies (ABMEC) is flying to India this weekend in an effort to boost trade.

India, which currently produces about 100m tonnes of coal a year, is embarking on a £1.5bn investment programme to boost output to 200m tonnes by the end of the decade. Production from opencast mining is scheduled to comprise 45 per cent of the total.

'Textiles pact issues neglected'

BY RHYS DAVID

INCREASED textile and clothing import quotas for emerging suppliers such as Indonesia, can only be accommodated if the major exporters—Hong Kong, Taiwan and Korea—are willing to surrender part of their quotas, a joint management-union delegation from the garment industry will tell EEC Commission officials next week.

The delegation, from the British Clothing Industries Association and the National Union of Tailors and Garment Workers, is expected to argue that, because so much time is being spent on preparation for the next GATT multi-fibre arrangement (MFA)—due to be renegotiated this year—the Commission is overlooking deficiencies in the working of the present agreement. Without more orderly control of imports, the industry's future would be seriously threatened.

Mr. Gerald French, the association's director, said yesterday that 200 medium- and large-sized factories in the UK clothing industry had closed over the past 18 months as well as several hundred smaller units. Order books were in their worst ever condition and were expected to deteriorate further. Job losses over the same period totalled 40,000, and one in two of the industry's workers had experienced either redundancy or short-time working.

Moscow moves against U.S. groups

BY DAVID SATTER IN MOSCOW

FACED WITH steadily dwindling prospects for U.S.-Soviet trade, American businessmen based in Moscow have been told that they now are liable for high Soviet taxes on their company profits.

In a move directed only against Americans, the two dozen U.S. companies with offices in Moscow have received requests from the Soviet Finance Ministry for detailed information on total income received from Soviet contracts.

The tax bills which are expected to result may force several U.S. companies to leave Moscow. The new decree affecting Americans comes amid a series of recent measures which adversely affect the working and living conditions of all Western businessmen in Moscow.

In addition to information about income, the Soviet Finance Ministry has requested U.S. businessmen to furnish information about what their companies paid for raw materials, the expenses incurred in producing the goods they exported and salaries and benefits for staff involved in Soviet contracts.

Western business officials said that this additional information was not relevant for tax purposes and could be used to undermine the bargaining position of the U.S. companies concerned if it were passed on from Soviet Finance Ministry to the Soviet foreign trade organisations.

The U.S. companies were informed of the Soviet requests for tax information on December 30 and the forms are due on February 1. This leaves virtually no time for consultations with the home offices as letters from the Soviet Union normally take two weeks in each direction.

Although the tax forms did not make it clear, the Soviet authorities are believed to want to take 40 per cent of the companies' profits in taxes. This would make it unprofitable for a number of U.S. companies to continue to do business in Moscow and virtually unprofitable for several others.

The new tax measures came amid a series of administrative rulings by the Soviet Housing and Employment agencies which have affected Western businessmen, including Americans.

The Soviet Housing Agency, which provides housing for foreigners, announced in October rent increases of from 100 per cent to 164 per cent for Americans and of at least 35 per cent for Western businessmen generally.

The Soviet agency which provides Soviet personnel for Western businesses ruled at about the same time that the employees must be paid their salaries by foreign businessmen through the employment agency rather than directly and two-and-a-half months future salary must be deposited as a guarantee against non-payment.

There have been unconfirmed reports that businessmen in Moscow will be deprived of hard currency coupons used to buy Western goods in special diplomatic stores, which would force them to pay higher prices in the hard currency cash stores operated for tourists.

Other measures which have hampered the ability of U.S. businessmen to conduct business in the Soviet Union include the phasing out of the direct dialling facilities for calls to the U.S. which were installed during the Olympics.

Westerners recalled that the Soviet attitude toward U.S. businessmen was friendly after the invasion of Afghanistan despite the U.S. trade and economic sanctions against the USSR.

In some cases, Soviet officials suggested that U.S. businessmen ship U.S. goods to the Soviet Union through third countries.

The atmosphere began to deteriorate as time wore on and many Americans are considering whether there is any point in staying on in the Soviet Union at all.

Consumer spending for the year at record level

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

CONSUMER SPENDING rose to a record level in real terms last year after a strong fourth quarter.

Central Statistical Office figures published yesterday show that the volume of consumer spending between October and December last year was about £17.9bn (at constant 1975 prices and seasonally adjusted), an increase of about 1 per cent compared with the previous three months.

Consequently spending for the year as a whole is now estimated to have risen by roughly ½ per cent to £71.6bn compared with 1979.

This increase followed a rise of 10½ per cent in the volume of spending between 1977 and 1979.

The further strength last year reflected the continued growth of real incomes in response to the high wage increases of the last pay round and the slowdown in the inflation rate. Real incomes grew faster than consumer spending as households built up their savings.

The strength of consumer spending, coupled with the unexpectedly high level of exports, highlights the contrast between the buoyancy of domestic demand and the sharp fall in output. The extent of the gap can largely be explained by the size of the cut in industry stock levels, though aspects of the figures are still puzzling statisticians.

The latest figures show that in the fourth quarter there was a recovery in the consumption of beer as well as of other alcoholic drinks following the depressed levels of the previous six months.

Retail sales in general recovered slightly though new car registrations fell back to the level of the early summer.

The pattern of spending appears to have changed with cuts in expenditure on items such as cars and other consumer durables which are liable to Value Added Tax. This appears to have affected customs and excise receipts in recent months.

The volume of spending of £17.9bn in the fourth quarter of last year compares with £17.7bn in each of the previous two quarters and £18.3bn in the first quarter of 1980 (which included pre-Budget spending).

Heseltine may act directly on council cuts

BY ROBIN PAULEY

MR. MICHAEL HESELTINE, Environment Secretary, has bowed to Treasury pressure and may intervene directly in individual councils' finances to impose selective penalties against those failing to meet Government targets on spending cuts.

As a result, any council *which does not reduce its* planned current expenditure for 1981-82 by 5.6 per cent in volume terms against its 1978-1979 out-turn expenditure will incur new penalties.

This effectively demolishes the basis on which the new and controversial block grant system of rate support was introduced. This was supposed to discourage spending and impose its own penalties by gradually reducing grant as expenditure increased.

In practice, the reverse has proved to be the case, to the dismay of Mr. Heseltine and the anger of the Treasury.

After a prolonged argument *yesterday with local authority* leaders, at an emergency meeting of the Consultative Council on Local Government Finance, Mr. Heseltine insisted he would have to take specific action to guarantee that councils which met the target for 1981-82 would not suffer any penalties involving loss of grant.

He was described by officials and local authority representatives at the meeting as being "a bit shamefaced" and "sheepish."

The Treasury is concerned about the most inflationary aspects of the grant system. These could cause councils to *budget for spending levels up to* £1bn higher than they would have done under the old system.

There has been growing anxiety among Cabinet Ministers and officials in other departments about the extent to which block grant is going wrong in terms of giving the majority of councils in England and Wales incentives to increase spending.

The new penalties will involve Environment Department officials constructing a new formula for each council. By this a council would lose a lot of grant—possibly all grant in some cases—so that high-spend*ing councils cannot take ever*-growing amounts of grants at the expense of more prudent councils.

Mr. Jack Smart, leader of the Association of Metropolitan Authorities, accused Mr. Heseltine of "panic" in the meeting. Sir Gervas Walker, chairman of the Association of County Councils, attacked Mr. Heseltine's plans. His association did a deal with the Government to prevent the legislation introducing block grant from facing difficulty in Parliament.

He was supported by Mr. Ian Coutts, chairman of the ACC Finance Committee, who told Mr. Heseltine that the system of giving each authority an assessment of how much it would need to spend was disastrous.

Mr. Hesletine is trying to make as many warning noises as possible before councils fix their 1981-82 budgets.

How quick action saved North Sea divers

Maurice Samuelson on deep sea rescue skills

SOME time next Monday, two young divers will come out into the daylight after four days in a decompression chamber and celebrate the fact that they are still alive.

Wednesday's 10-hour rescue action was a relief not only to them, but also to the other divers who risk their lives in the depths of the North Sea. For this was apparently the first time that divers have been saved by "wet transfer" taking men from one diving bell to another.

The whole operation reflects *the growing skill of the off*-shore oil industry in tackling under-water emergencies. It also suggests that it is learning fast from bitter, often fatal, experience. In the last decade, 29 North Sea divers have been killed, but there have been none in the past 16 months.

On Wednesday morning, however, things had suddenly looked grim for Mr. Philip Robinson, 31, and Mr. James Tucker, 27. They had just finished inspecting an installation in the Thistle field, 130 miles north east of the Sheland Islands.

There bell was 435 feet below the surface, and about 130 ft from the sea bottom, when the line brining air from their mother ship, the Stena Seaspread, fouled on the single anchor leg morring system which they had been inspecting.

The men were working for the Aberdeen diving contractors Wharton Williams Taylor on behalf of the British National Oil Corporation, which operates the Thistle field. They had emergency air and life support systems which could have lasted *for just over 24 hours.*

It was, by chance, at the very same installation 16 months ago that rescuers failed to save two American divers (working for another company) whose bell had suddenly plummetted to the sea-bed when its cable broke.

But just 10 hours later, Robinson and Tucker were being brought to the surface. Doctors said they were in good health and spirits.

Mr. Malcolm Williams, the head of the contractor's company, attributes their survival to the speed with which the rescue vessels arrived, and the special provisions in their own stricken bell which enabled them to withstand the effects of the cold.

These were special heat-retaining sleeping bags and the recovery of the atmospheric heat from their own breathing. But lack of air had not been the most immediate danger—they continued to breathe the existing air in the bell and did not have to switch on their emergency air supply.

The "wet transfer," which was the centrepiece of the operation, was reminiscent of a *drama in outer space involving* the evacuation of astronauts from one spaceship to another.

As in space, however, it was first necessary to get the rescue vessel into position. In the North Sea on Wednesday, this role was played by the multi-support vessel Uncle John, which at the time was at work for Shell-Esso on the Brent field, 24 miles away.

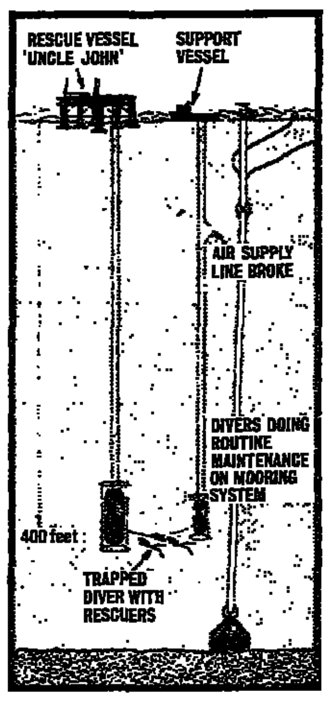
Uncle John, owned by Houlders-Comex, is a semi-submersible support vessel equipped for major diving emergencies. It has a decompression chamber and has its own specialised medical staff.

Thanks to reasonably good weather, Uncle John reached Thistle within 5½ hours. After stabilising, Uncle John sent down the rescue diving bell, with three men aboard. Shaped like a dumbell, it was the same *type as the crippled bell.*

When it had reached the same depth, two of the rescuers, in the glare of powerful headlights, towed a rescue line to the stricketn bell, 45 metres away. They communicated with the men inside by writing on boards which they placed by the bell's windows. They then went inside with a hot water hose to revive the stranded men who were beginning to gecome numb from the cold.

They evacuated them along bells. When all five were safely aboard, the rescue bell surfaced and was winched on to the Uncle John. The bell was then locked on to Uncle John's decompression chamber where the divers now celebrating and recovering.

Robinson and Tucker were in such good shape that it was not necessary for Uncle John's doctors to join them in the decompression chamber. The emergency had lasted just under 11 hours.



An artist's impression of how the stricken divers were saved.

Storey to make 1,000 redundant

BY SUE CAMERON, CHEMICALS CORRESPONDENT

STOREY BROTHERS is to close its plastic sheet and film plant at Brantham in Suffolk with the loss of 1,000 jobs—about a third of the company's total workforce.

The *company, which is* part of the Turner and Newall group, said the Brantham plant lost £2m last year.

The Brantham site will be run down over the next 15 months and will be shut next year. The main plant there produces polyvinyl chloride—PVC—sheet and film for industrial applications such as roof *and door linings for cars.* Storey is making the linings for BL's Mini Metro and said yesterday it would continue to do so.

Production at Brantham is to be transferred to the company's other main site at Lancaster, and Storey said it expected 200 jobs would be created at the Lancaster site.

In 1979 Storey made a trading profit of £4.9m on a turnover of £75m.

Delta Metal is to make 550 redundant and close two plants in its electrical division, **Midland Electric Manufacturing (MEM).**

The decision was blamed on the need to restructure and become competitive in the face of low UK demand and difficult export markets.

MEM factories at Washington, Tyne nnd Wear (158 jobs), and Redditch, Worcestershire (65 jobs), will be closed during the next four months. Another 310 jobs will go at the company's three Birmingham factories and 10 at Holyhead, Anglesey.

MEM, with a turnover of about £35m a year, supplies low *voltage switchgear, circuit pro*tection equipment and motor control gears, much of it to the construction industry.

About 40 per cent of output is exported and the company has been hit by the strength of sterling and political problems in markets such as Nigeria and the Gulf States.

Earlier this week **Pilkington** announced plans to shut **Chance Brothers,** its glass tube plant at Smethwick, Birmingham, with the loss of 550 jobs.

Lucas Electrical will warn its 17,000 UK employees in a letter in their pay packets today of "hardship and difficulty" in responding to the decline of the UK vehicle industry.

Shop stewards representing workers at the 17 UK plants have been warned that further redundancies seem inevitable on top of the 3,000 announced last year.

Mr. Keith Wills, general manager (UK), of Lucas Electrical, says in his letter to employees that the company must fight to secure its existing business in the face of foreign competition.

UK car assembly is running at 24,000 a week compared with 36,500 12 months ago.

Two hundred jobs areb eing axed by **Rists,** the motor component company, at its factory in Newcastle-Under-Lyme, Staffordshire.

The company, part of the Lucas group, blames the redundancies on the recession and the *slump in demand* for car accessories.

Black Clawson International manufatcurers of paper machinery, is to make 75 redundant at its factory in Newport.

No accolade for British restaurants

BRITISH RESTAURANTS have failed to achieve the heights of the Michelin Guide's top ranks in gastronomic pre-eminence—the award of three stars.

The 1981 guide, due to be published on January 28, lists six new one-star restaurants but no new two-star establishments.

The gastronomic centres of Britain, according to the guide, are Oxford—said to have three one-star restaurants—and Chelsea.

"We did discuss the possibility of a third star for a British restaurant this year, said Michelin. However, it seems that no British establishment was prepared to be as generously staffed, as choosy over ingredients, or as eager to discard culinary errors as the guide requires for the three-star accolade.

Decision on grants

THE GOVERNMENT yesterday refused to grant students from British dependent territories the fee concessions already given to those from EEC countries.

In its reply to a report by the Commons select committee on education, science and the arts, which recommended that the below-cost fees be made available to students from the dependent territories and from countries with an association agreement with the EEC, the Government said the cost of the extension would be about £32m a year—£8m for the dependent territories, £4m for countries with an EEC association agreement, *and £20m for countries* with special trading rights with the EEC under the Lomé convention.

Cassette conspiracy

TWO JAPANESE electronics companies—the Sony Corporation and K. Hatturi and Co., owners of the Seiko Time trade mark—were given leave by the *High Court in London* yesterday to attack an international conspiracy to counterfeit cassette tapes.

The court action arose last year when Sony found the market being flooded with blank cassette tapes under counterfeit labels believed to be from Hong Kong and Taiwan. Seiko, which does not manufacture tapes, complained that its *reputation* was being harmed by poor quality tapes bearing its name.

New town jobs

A Scots New Town hit by more than 1,000 redundancies last year has been given a jobs boost.

Beckman Instruments, the first company to establish in Glenrothes, Fife in 1958, announced that it will take over a 10,0000 sq ft factory and invest "substantial capital" in the manufacture of hand-held multimeters, which it claims is a new electronic technology for Scotland. This will create work for 100 people.

Channel hovercraft fares reduced by Seaspeed

BY LYNTON McLAIN, TRANSPORT CORRESPONDENT

THE BRITISH RAIL Seaspeed hovercraft operation is to cut fares on the Channel this year in an effort to win more traffic from conventional ferries, including those operated by Sealink, BR's own ferry company.

Seaspeed made a loss of more than £1m last year, due in part to the price war on short sea routes across the Channel and the high cost of fuel. The price cuts announced by Seaspeed yesterday, show that this competition is continuing.

A majority of tickets on the BR hovercraft routes from Dover to Boulogne and Calais will be cheaper than in 1980. The exception will be weekend hovercraft flights although even these will be cheaper in the early morning and the evening.

The Channel is the busiest stretch of waterway in the world, and still one of the most expensive to cross.

The cost of taking a car, the size of a Ford Cortina, and two adults over the Channel by Seaspeed hovercraft will be between £40 and £58—depending on timing. This compares with the rates last year of between £50.50 and £55.50. The increased top rate will apply at the height of summer on the most popular flights.

The same family with a caravan will now pay a maximum of £76, a cut of £8.50 on last year's price.

Seaspeed also plans to cut almost £10 from the peak 60-hour excursion return fare for a car and two adults, bringing it to £58 return.

Seaspeed carried a record 1.3m passengers last year on its two British Super 4 hovercraft and one French craft.

Electricity price increase 'another inflationary twist'

BY MARTIN DICKSON, ENERGY CORRESPONDENT

INCREASES in the price of electricity will be "another twist in the *inflationary spiral* for hard-pressed British industry," the Confederation of British Industry said yesterday.

It was commenting on proposals by area electricity boards to increased prices to industrial users by up to 16 per cent in the year from April 1, and those to domestic consumers by an average of 11.5 per cent.

Confirming the proposed increases yesterday, the Electricity Council said the basic rate to industry was likely to go up by 8 per cent, and fuel cost adjustments were expected to add another 8 per cent to this during the year.

The increases will come on top of an estimated 18 per cent rise in prices to industry in the year to next April, and a 27-28 per cent increase for quarterly billed customers — domestic users and small shopkeepers.

Reasons for the latest rises include higher fuel costs, slack electricity demand and tighter Government borrowing limits on the *power supply industry.*

The increases are likely to add heat to the current controversy between Government and industry over fuel pricing policy.

The CBI, which was still studying the proposals last night, said that ever since the autumn it had been campaigning for relief on energy prices for large users, who had been paying more than their Continental rivals for electricity, gas and oil.

Defending the proposals, the Electricity Council said that for most of British industry, electricity represented just 1 per cent of the final price of goods.

The Electricity Consumers' Council, a Government-backed watchdog body, said there should be no question of any further increases in electricity prices for at least 12 months after the April ones.

Avon to make race tyres

AVON, the tyre maker, is to start producing motor competition tyres for sale worldwide.

Mr. Bill Shand, Avon's managing director, said yesterday that the business should provide an annual turnover of between £4m and £5m within the next three years. The company's manufacturing is wholly UK-based.

The project is a joint venture with International Race Tyre Service, another British-based company, which has been the sole distributor for Goodyear racing tyres in Europe, Asia and South America.

The venture has been brought forward a year, following the row *late last year* over the management of Grand Prix racing which placed the 1981 world championship in jeopardy. A compromise appears to have been reached but Goodyear—the major Grand Prix supplier—withdrew leaving most teams short of tyres.

But whereas the Goodyear supplies were almost free, as a promotional exercise, Mr. Shand said Avon's was a commercial venture. The additional cost to each racing team is expected to be about £200,000 for the season.

The tyres will be manufactured at the Avon plant in Melksham, Wiltshire.

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UK NEWS

De Lorean price worries dealers

BY JOHN GRIFFITHS

DE LOREAN'S 376 U.S. dealers, who have waited with increasing impatience for deliveries of the Belfast-built luxury sports car to start, yesterday welcomed assurances by Mr. John De Lorean, its chairman, of 700 cars being delivered in April for a U.S.-wide launch.

But there appears to be growing concern at the rate at which the projected price of the car has been rising, due to higher inflation in the UK compared to the U.S., and the unexpected strength of sterling.

De Lorean's marketing strategy was that the car should not sell at much more than 10 per cent above the price of the most popular U.S. sports car, the domestically-built General Motors Corvette.

Last summer, the De Lorean's projected retail price was just under $20,000; that has now risen to what De Lorean describes as "the mid-$20,000s"—about $5,000 more than the Corvette.

Echoing the views of several dealers, Mr. Harry Stein, president of a major Kansas City dealership, said he feared the price could now be pressing up against the threshold at which dealers could expect to start meeting market resistance—"if it goes above $24,000, we have ourselves a problem."

Under the original launch plans, delayed by the need to iron out final production teething problems, the car should have gone on sale in the U.S. late last year.

Dealers, each of whom was required to buy 2,500 shares in De Lorean, undertook to order between 50 and 150 cars—enough to cover the first two years' production—but they have been told to expect only about a quarter of the original allocations this year.

One dealer said he had taken 20 orders with deposits, but had refused to take any more because of the expected delay in deliveries — "but provided the price does not get out of line, there is a tremendous demand for the car."

Cars are coming off the line at the rate of three a day; this will rise to five a day next week and to 30 a day by the end of next month. Thereafter, according to a De Lorean official, "production will rise swiftly to an annual rate of 20,000. About 11,000 of the cars are expected to be made this year."

Final evaluation is continuing, but one batch of cars has already left for display at the National Automotive Dealers' Convention in Los Angeles on February 6.

The car makes its first European appearance at the Ulster motor show on February 16, but its major international debut is at the Geneva show in March. De Lorean plans to sell a small proportion of its output in Europe, notably the UK and West Germany, from next year.

Employment — the primary concern of Westminster in deciding to back the project with nearly £70m of public funds — has risen swiftly from 600 just before Christmas to 865 now. It is approaching the half-way mark of the 2,000 target set for full production.

At nearly £30,000 each, the jobs are the most expensive created in Northern Ireland. But Mr. De Lorean has held out the prospect of up to 9,000 materialising, if plans for further cars — a prototype Guigario saloon already exists—come to fruition.

● All Fiat cars sold in the UK from January 1, now carry a six-year corrosion warranty covering the major structural areas of the body.

The warranty brings Fiat into line with its sister company, Lancia, in offering what is claimed to be among the most competitive warranties in the industry.

The warranty is being made retrospective to cover cars sold since the beginning of the year, on condition that people return their cars for treatment during the next month.

London taxis to join New York cab fleet

BY JOHN GRIFFITHS

THREE PROTOTYPE London taxis modified to meet U.S. legislative requirements will be sent to New York next month as part of an export drive about to be mounted by taxi manufacturer, Carbodies of Coventry.

Following their evaluation, 36 more are expected to join New York's 12,000-strong cab fleet as trial vehicles. Carbodies carried out market surveys of the vehicles' potential in New York last year, and a marketing company, the London Cab Company, has been set up to launch the vehicles.

Mr. Grant Lockhard, Carbodies managing director, says the project has met with "tremendous goodwill." New Yorkers readily identify the taxi's origin when presented with its silhouette and express a liking for it.

The taxis will differ in detail from those plying in UK cities. They will be left-hand drive, painted yellow and incorporate mechanical changes to meet U.S. safety and emissions legislation.

The biggest obstacle to the success of the venture appears to be price. With the current high value of sterling against the dollar, Mr. Lockhard believes they will have to be 50 per cent more expensive than the only U.S. purpose-built taxi, the Checker. In the UK a London taxi costs £6,000. Offsetting that, Carbodies believes it should be able to convince cab fleet operators that the claimed 50 per cent lower running costs and much greater longevity of their vehicles make them an economic proposition. It concedes, however, that they are likely to prove too expensive for private owner-operators.

Carbodies believes a successful debut in New York would lead to the opening up of other markets in the U.S.

Less than 1 per cent of output of the 23-year-old taxi, the FX 4, is sold abroad, mostly to the Far East. Carbodies is seeking to expand greatly its export base both to offset the current recession in UK sales—the company has just begun four-day working, with output running at about 75 per cent of the Normal 50-60 taxis a week—and to help finance the development of its replacement for the FX 4, due in two years' time.

The new taxi, the CR 6, has been designed to comply with international taxi regulations. Bearing some resemblance to a Range Rover, its passenger doors will be hinged from the central pillars instead of being hinged from the rear—a feature on the FX 4 which led to it being banned from some important markets.

It is expected to have Carbodies' own, rather than a bought-in, chassis, with the existing taxis' ageing Austin diesel unit replaced by a 2.2 litre Land-Rover diesel, possibly with an optional turbocharger.

Guernsey to tax wealthy newcomers

BY EDWARD OWEN

GUERNSEY'S Income Tax Authority is proposing a change in the law to prevent wealthy newcomers using the so-called "overdraft export system" to avoid making remittances of income when they arrive in the island and so escape initial liability to local tax.

In a report to be considered by Guernsey's parliament next Wednesday, the authority says this liability to local tax can be considerable if the sources of income have existed for a long time and there is an accumulation of income to be remitted.

At present, it is pointed out, someone settling in Guernsey can be classed as "resident but not solely or principally resident" in his year of arrival even though he lives in the island for just under six months and has moved his home there.

As the law stands, it is possible for such a person "so to arrange his affairs that he does not make any remittances of income and consequently does not have any income chargeable," the authority says.

This is achieved by financing any local liabilities by means of an overdraft, which is then exported to another territory where funds are available to meet it—a system widely used in Guernsey, it is claimed.

It is proposed to end this method of avoidance by treating someone as "principally resident" in the island if, in the year under consideration, "he maintains or has maintained for him a dwelling-place in Guernsey and has taken up permanent residence in Guernsey."

This will be coupled with a notification to all banks in the island that the use of the "overdraft export system" will in future be dealt with by invoking the general provisions against legal avoidance.

A further amendment to Guernsey's income tax law was originally planned, but has been withdrawn after, it is understood, objections from the financial community.

This would have made anyone in the island receiving income on behalf of another resident liable, if requested, to furnish details of that income and the ultimate recipient of it to the authority.

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British Telecom satellite service has autumn trial

BY GUY DE JONQUIERES

BRITISH TELECOM, the telecommunications arm of the Post Office, is planning to put its business satellite communications service, on a trial market in the autumn.

The trial, among six large business customers, will prepare for the full Europe-wide service which British Telecom and other European telecommunications authorities are due to introduce in late 1983.

The service will handle high-speed transmission of computer data, telephone calls and television signals between small dish aerials which can be installed on or near a customer's business premises.

British Telecom said yesterday it had placed firm orders with Ferranti for two mobile aerials and planned to purchase a further 25 to 30 aerials during the test period at a cost of about £5m.

The trial will use a test satellite launched in 1978. The full service will be carried on satellites to be put in orbit by the European Space Agency and France during the next two years.

Mr. Peter Benton, British Telecom's managing director, said yesterday that charges for the planned service were still being worked out. But he said there were likely to be considerable variations depending on the type of service required.

Fully-equipped terminals able to handle the full range of services, which would be leased to customers, would cost about £250,000 each. Only very large organisations with extensive communications needs would find it economical to use the most sophisticated service.

Aerials which could only receive and not transmit would be much cheaper. Customers who shared satellite services could find them no more expensive than ground-based telephone links for communications over distances of more than about 600 miles.

A restraining influence is likely to be exercised by the rates charged for the service due to be launched soon in the U.S. by Satellite Business Systems (SBS), a joint venture between IBM, Comsat and Aetna Casualty.

SBS is expected to offer relatively low rates initially in a bid to attract customs. Though it will not compete directly with the planned European service, British Telecom is believed to be sensitive about charging tariffs greatly in excess of U.S. levels.

BMA challenge on cash limits

BY ROBIN PAULEY

THE British Medical Association is challenging the Government's calculations on National Health Service spending, claiming that the cash limit will wipe out the 3 per cent real growth in 1981-82 forecast in the latest public expenditure White Paper.

Dr. John Harvard, the BMA's secretary, has written to Mr. Patrick Jenkin, Social Services Secretary, asking for an explanation of the Government's intentions.

Dr. Havard says that the BMA estimate of net current expenditure on hospital and comunity health services in 1980-81 at (at 1979 prices) is £5.25bn against £5.26bn in 1979-1980. This is a small decline compared with growth indicated in the public expenditure White Paper.

The Government has announced that about £254m of additional revenue for the NHS should be available in 1981-82 from increased national insurance contributions.

"It seems to us that this additional revenue would almost certainly be used up if the Government were to apply to the NHS those cash limits (7.5 to 8 per cent) which have been suggested," Dr Havard said.

He also adds that as far as net current expenditure on hospital and comunity health services is concerned, the BMA calculates that an increase in real resources of more than 3.5 per cent over 1980-81 outturn expenditure would be required to achieve the plans outlined by the Government in the White Paper fo r1981-82.

"This should, of course, be protected by appropriate cash limits. Our estimates will give rise to very considerable concern in the medical profession over the plans for funding the service," Dr Havard said.

Owner loses claim over sunken ship

BY OUR LAW COURTS CORRESPONDENT

A DAMAGES claim by a shipowner, whose vessel sank while being repaired, was dismissed in the High Court yesterday.

Mr. Justice Mocatta, in the Commercial Court, rejected the claim by Transportacion Maritima Mexicana, owners of the 3.476 gross tons motor vessel Merida, against Swan Hunter (Trinidad), owners of a repair yard at Chaguaramas Bay, Trinidad.

He said that the Merida went into the yard for repair in 1976. A section of the hull was cut away, resulting in water entering the ship and the vessel capsized and sank.

TMM alleged that Swan Hunter, had had insufficient regard for the vessel's stability, failing to take proper precautions when the hole had been cut.

Swan Hunter contended that the Merida's stability, and the need to pump out any water that had accidentally entered the hull, had been the owners' responsibility.

The judge said that two matters emerged from the case. The first, which could not be considered novel, was the principle of the master always being responsible for the safety of his ship, so far as stability was concerned.

The second was that damaged plating was frequently cut out and replaced while the vessel was afloat. That by itself could not be considered negligence on the part of a shipyard.

In view of the weight of the evidence called by Swan Hunter, it was impossible to hold that it had been folly on the yard's part not to have checked on the stability, or taken other precautions suggested by TMM.

The normal practice was for a yard to leave the master to check and secure, as far as possible, the vessel's stability.

The judge concluded that TMM failed to establish any breach of contract, or negligence, on the part of Swan Hunter.

Change of fortune for Esse

BY RAY PERMAN, SCOTTISH CORRESPONDENT

SALES OF Esse solid fuel cookers and room heaters have more than doubled in the past two years following new management at Smith and Wellstood, the small Scottish engineering company which makes them.

In the same period, balance sheet investment in new plant has increased five-fold and the bank overdraft has been cut by two-thirds.

The company has been turned round from loss to profit.

The change in fortune came with the arrival three years ago of Mr. David Gillan as managing director, and the agreement last year by four Scottish financial institutions to buy out the company from is previous owner, the Newman Industries group of Bristol.

Under a new board, led by Mr. Robert Thorpe, who retired last year from the chairmanship of Anderson Strathclyde, the coal cutting machinery manufacturer, Smith and Wellstood is aiming to take advantage of the growing popularity of solid fuel.

"Solid fuel is coming back as the price of other energy sources rises," Mr. Thorpe said yesterday. "When the upturn comes, we aim to be ready for it."

A number of new products have been introduced, including the Columbian cooker, Bontesse room heater, and the Victorian Heritage range of heaters, which are cast from original Smith and Wellstood patterns, still kept at the factory.

These old designs have been modernised to make them safer and more efficient.

They are being marketed in the UK and in a range of overseas markets, with particular success in Belgium, Holland and Australia.

The ramshackle collection of old factories at Bonnybridge, Stirlingshire, is slowly being modernised and rationalised.

Nearly three quarters of the original site has been sold to the Scottish Development Agency, which will build an industrial estate on the land, and the proceeds have been ploughed back into the plant.

Mr. Gillan points out that all of the company's investment has been self-generated, or has come from Government grants. Shareholders have not been asked for additional capital.

"Each month has its new problems, but progress continues. Efforts are to some extent neutralised by the high increase in costs, over which there is little control, such as rates, energy and national insurance contributions. Another difficulty is created by the high value of sterling," he said.

Back to the dugout for shelter

JAMES MacDONALD sees wartime experience re-emerging in the Home Office's five approved units to protect a household in the event of a nuclear explosion.

THE GOVERNMENT has drawn heavily on the "tried and proven" principles in the earth dugout of the first world war and the last war's Anderson and Morrison steel air raid shelter in the guidelines it published yesterday for domestic nuclear shelters.

Examples of five types of domestic nuclear shelter were on show yesterday at the Home Defence College near York. The two Home Office guides published give advice on their construction, effectiveness and likely cost.

Of the shelters, two are do-it-yourself earth dugouts using domestic materials such as household doors and metal scaffolding, and costing no more than £250. They would provide a fallout radiation protective factor (FRPF) of at least 40 — reducing radiation to one fortieth of that outside. A typical house has a factor of 15.

These shelters would remain intact at seven miles from a one megatonne air burst.

Another two shelter stypes are of steel and can be assembled from do-it-yourself kits provided by manufacturers. The indoor type is strongly reminiscent of the wartime Morrison steel table, with a brick or sandbag surround, glass door, and forced ventilation. It could cost between £800 and £1,100.

The outdoor type is a refinement of the Anderson garden shelter. The kit, again with glass door and earth-covered, would cost from £900 to £1,800 plus any installation costs.

They would hold fast three miles and two miles respectively from a one-megatonne air burst. The indoor type would have a FRPF of at least 70 and the outdoor type at least 200.

Blast protection would range from 6 lbs a sq in up to 11 lbs.

The fifth type is a permanent purpose-built shelter of reinforced concrete, which must be erected by a building contractor under the guidance of a chartered civil or structural engineer.

At an estimated cost of between £6,000 and £10,000, it could remain intact less than two miles from a one-megatonne air burst, would have an FRFP of over 300, and some protection against initial nuclear radiation.

One of the publications, Domestic Nuclear Shelters, is only a brief customers' guide to the five types. The other gives detailed technical guidance for architects and engineers on their design and construction.

At a demonstration of the shelters Mr. Patrick Mayhew, Minister of State at the Home Office, described them as additional insurance—if the public wanted to pay for it—to the Government's nuclear deterrent policy.

"The Government is not advising people to build the shelters," he added. It was a matter for people to decide if they wanted to pay this additional defence premium. Mr. Mayhew agreed that the amount of protection provided by the shelters depended largely on what one was willing or able to pay.

Asked if these guidelines would deter the "cowboys" who had been offering shelters of doubtful value to the public, Mr. Mayhew said he strongly advised people to take professional advice before investing in such structures.

There were no plans, however, to restrict sales to the Home Office guideline types, although local authorities would have to give their approval in many cases.

"Domestic Nuclear Shelters," 50p and "Domestic Nuclear Shelters — Technical Guidance, SO £5.50p.

Judicial Jabberwock test thwarts Exxon's literary aspirations

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

THERE IS nothing of the Jabberwock about the word "Exxon," a High Court judge ruled yesterday.

When the Standard Oil Company of New Jersey had to change its name, and laboured long in the invention, it did not, unlike Lewis Carroll, come up with an "original literary work" that could be protected by copyright, said Mr. Justice Graham.

Picking his way cautiously through the "tulgey wood" and past "slithy toves," with a passing reference to Edward Lear's "Jumblies," the judge concluded that the novel attempt by Exxon Corporation, the oil multi-national, to extend its legal rights over its name must fail.

"Exxon," he said, was an invented word, a typical subject for trade mark registration. It took on meaning only when used with other words which, for example, indicated that it was the name of a company.

The mere fact that research and labour had gone into its invention did not make it a literary work.

If Lewis Carroll had merely invented the word "Jabberwock," and never written the poem of which it was an important and substantial part, could he have successfully contended that he had copyright in the word alone, the judge asked?

The word became part of a literary work within the Copyright Act only because it was embodied in the poem.

It was the whole composition of the poem, and the suggestive and inventive words which formed its essence and made it so memorable, that made it worthy of copyright, and might have enabled the author to argue that the use by others of the words "Jabberwock" or "Jabberwocky" alone were an infringement of his copyright.

Exxon Corporation was granted an injunction restraining passing-off by an unassociated UK company, Exxon Insurance Consultants International, but was refused an injunction against infringement of copyright.

The judge observed that, if the corporation's argument was right, it would have extremely inconvenient consequences for the public, because no one would be able to refer to Exxon without the corporation's permission.

He added: "One may well ask also whether the Bishop of Exeter could continue to use the word 'Exxon' as part of his name."

£51,000 for diamond brooch

By Antony Thorncroft

A DIAMOND, weighing 7.41 carats and mounted as a brooch between two marquise-shaped diamonds, was sold at Sotheby's in London yesterday for £51,000.

It was bought by a New Jersey dealer who will also have to pay 11.5 per cent in buyer's premium and VAT.

The cushion-shaped canary diamond came to light at a Sotheby's discovery event at Cambridge. The owner thought it was worth a few thousand pounds and Sotheby's had estimated it at £20,000.

A pair of gold and emerald bracelets of about 1850 sold for £39,000, while a gold cigarette case presented to the late flying ace, Guy Gibson VC, by Vickers to commemorate his achievements as a Dambuster, was bought by a Midlands businessman and ex-RAF pilot, Mr. Peter Skinner, for £4,600. A gold and turquoise pendant made by Castellani in 1866, which had been insured for £45, sold for £2,900.

Directors 'abused leisure company'

Andrew Fisher looks at the Department of Trade report on Scotia Investments.

SCOTIA INVESTMENTS, the leisure company whose shares were suspended by the Stock Exchange in 1975, was grossly abused by several directors for their own purposes, an official report said yesterday.

Prepared by two Department of Trade inspectors and published a year after completion, the 487-page report (plus appendices) details a mass of inter-company deals, complicated hotel and casino transactions, and extensive borrowings.

It concludes that "in various ways" Scotia was manipulated for the benefit of Alco — the parent company—and its directors. Scotia's chief asset is a London casino, the Knightsbridge Sporting Club.

The report points to gaps and lack of clarity in the law and in the standards of regulatory and professional bodies. Auditors, property valuers, and solicitors are criticised.

The need to tighten up on company loans to directors, has already been dealt with in the 1980 Companies Act.

A suggestion that auditors should report on the directors' report of a company as well as its accounts, may be covered in the next Companies Bill.

The Government is also looking at the recommendation by the inspectors, Mr. Leonard Bromley, QC, and Mr. John Hillyer, that companies be required to keep a register of loan guarantees and show this to the auditors.

The inspectors describe how Mr. Colyn Braun, an Irish citizen born in South Africa, and Mr. Alexander DemBeniotis, a Greek bought into Grangas — then having the smallest capital of any company on the London Stock Exchange.

The two men were also shareholders in Alco, later becoming full owners with Mr. Peter Frohlich, a certified accountant.

It is these three men who are chiefly criticised in the report.

They had not been without assistance, however, said the inspectors. Yesterday, Mr. Frohlich who had not yet seen the report, said Scotia had no immediate comment.

He said Scotia's profits were now running at about £1m a year before tax. The Stock Exchange suspended the shares in November, 1975, for breaches of the listing agreement.

The inspectors said that ordinary commercial considerations played little part in Scotia's support of Alco, before or after Alco bought the Normandie Hotel in London's Knightsbridge for £2.5m. This is where the casino is located.

By the end of 1974, Alco owned about a third of Scotia, with Triumph Investment Trust —soon in receivership—owning 27 per cent. Scotia bought Gramgas at the end of 1973 after its South African gas business was sold.

The inspectors criticised the handling of the Normandie purchase from De Vere Hotels, as well as Alco's heavy borrowings from and through Scotia. Alco owed Scotia over £2.5m in July, 1975, and over £4.5m in July, 1978.

The fact, scale, purposes and timing of the borrowings by Alco and its directors and associates were concealed for as long as possible, the report said.

This was done through publishing misleading accounts, misdating an agreement with H. C. Finance, misrepresenations in shareholders' circulars, "the shading of the truth" in correspondence and meetings, and general tactics of delay, it said.

H.C. Finance, a licensed money-lender, was acquired by Scotia in July 1973. Under the agreement dated March, 1975, but prepared after mid-October that year, £2.75m was provided to Alco.

This was mainly refinanced financial support previously given by other companies in the Scotia group. The inspectors said the three Alco directors inherited a difficult situation at Alco.

The inspectors devote a lengthy chapter to the casino, part of Scotia since the early 1970s.

The report gives detailed examples of cheques written by gamblers in the casino which were either post-dated or not met when presented at banks.

Scotia's auditors, Lubbock Fine, are also criticised by the inspectors over various aspects of the accounts, particularly those for 1973. The criticisms included non-disclosure of loans to directors by Scotia.

Anti-smokers face setback on hopes for tobacco ads ban

BY ELINOR GOODMAN, LOBBY CORRESPONDENT

THE ANTI-SMOKING lobby hopes of getting a statutory ban on tobacco advertising through Parliament this session have received a major setback. The Department of Health may not now be given time to introduce the Miscellaneous Health Bill which some Ministers had hoped would provide the vehicle for a successful backbench amendment banning tobacco promotion.

Mr. Francis Pym has been reviewing the Government's legislative programme since taking over as Leader of the House earlier this month and has apparently decided the Health Bill could well be dropped.

Until now the chances of getting a ban on the statute book this session had looked better than for many years. Health Ministers had given their tacit support to a strategy which might have overcome the problems of phili-bustering which have defeated all previous attempts to introduce a ban.

The idea was that a backbencher would introduce an amendment to the Health Bill, which because it was attached to a Government Bill, could not be philibustered by a small group of backbenchers in the same way as a Private Members Bill.

Instead, it might have got through the House on a straight majority. The anti smoking lobby at Westminster believed there might now be a majority in the Commons for such a ban though they admitted the strategy could well run into trouble.

Through negotiations last year with the tobacco industry over a new voluntary agreement on promotion, Health Ministers made it clear they had not ruled out the possibility of legislation. When Mr. Patrick Jenkin, Social Services Secretary, finally announced the voluntary curb on cigarette advertising agreed with the industry, he said it would be up to the House to decide whether legislation should be introduced.

Mr. Jenkin's statement was interpreted as meaning the Government would not create problems for a Private Members Bill. However the anti smoking lobby in Westminster believed a more sophisticated strategy would be necessary to get the ban through the House and came up with the idea of using the Miscellaneous Health Bill as a vehicle.

Now they may have to reconsider their strategy.

Loan guarantees urged for small businesses

BY MARGARET VAN HATTEM, LOBBY STAFF

A PLEA for Government backing for small businesses, which are being forced to close by cash flow problems in spite of making good profits, was made yesterday by Mr. John Loveridge (C Havering Upminster).

Mr. Loveridge, chairman of the Conservative Parliamentary Smaller Businesses Committee, has a Private Member's Bill before the House which proposes a Government backed loan guarantee scheme to promote bank lending to such companies.

He accepts that his Bill is too low on the list to have any hope of getting through Parliament. "It's more in the nature of a manifesto," he said yesterday. However, he hopes the Government will take up his ideas.

The Government would guarantee up to 80 per cent of a bank loan, the risk being covered by an interest rate 3 per cent amove the inter-bank rate. This would include a 2 per cent fee to be paid by the banks to an independent loan guarantee board. This board would be set up by the Treasury, and would report to the Bank of England.

The scheme would thus be self-financing. Lending would be by term loan, not overdraft, with a ceiling of £250,000 for seven years which could be lifted to £500,000 for 10 years "in exceptional circumstances relating to high unemployment or businesses with export potential."

Parliament next week

COMMONS

Monday: Second Reading, Forestry Bill. Increase of Rent restriction (Scotland) Orders.

Tuesday: British Nationality Bill, Second Reading: Imprisonment (Temporary Provisions) Act (Continuance) Order.

Wednesday: Debate on "increasing poverty resulting from Government policies". Judgments Enforcement (Northern Ireland) Orders.

Thursday: Debate on Public Accounts Committee Reports.

Friday: Private Members' Bills.

LORDS

Monday: Merchant Shipping Bill, Third Reading: Parliamentary Commissioner (Consular Complaints) Bill, Third Reading: Social Security (Contributions) Bill, Committee: Local Authority Grants and (Termination) Order: Forgery and Counterfeiting Bill, Second Reading.

Tuesday: London Docklands Development Corporation (Area and Constitution) Order: Five Scottish Order Confirmation Bills. Third Reading Wildlife and Countryside Bill, Committee stage; Bill of Rights Report; Imprisonment (Temporary Provisions) Act Renewal Order.

Wednesday: Debate on British-Spanish agreement on Gibraltar and Spain's application for EEC membership. Debate on simplification of English Language. Licensing Amendment (Off-Licences) Bill, Second Reading.

Thursday: Social Security (Contributions) Bill, Report and Third Reading: Disused Burial Grounds (Amendment) Bill, Committee. Trees (Replanting and Replacement) Bill, Second Reading: Pet Animals Act (Amendment) Bill, Second Reading. Representation of the People Bill, Second Reading.

'False image' of Wales under attack

BY IVOR OWEN

PROSPECTS FOR attracting new investment in Wales have been damaged by the "false image" that mounting unemployment is likely to lead to social disorder, Mr. Nicholas Edwards, Welsh Secretary, claimed in the Commons last night.

Amid furious Opposition protests, he accused the Select Committee on Welsh Affairs of having helped to foster the erroneous impression — which he had encountered while on a trade mission to the United States—that Wales was an area of decay and dereliction, where outsiders would be made unwelcome and their houses burned down.

Cries of "disgraceful" and "nonsense" were hurled at Mr. Edwards by Labour MPs, who pointed out that the Select Committee's report had been signed by six Tory backbenchers.

He refused to withdraw his charges but stressed that in the event the great mass of the Welsh people had shown far more good sense and judgment than they had been given credit for by the Select Committee.

Mr. Edwards, who admitted that pit closures and other adverse factors were likely to lead to still higher unemployment in Wales in the near fuure, insisted thre were some encouraging signs, both for Wales and the UK economy generally.

He confirmed that Mitel, the fast-growing Canadian telecommunications company, was on the point of deciding whether to establish an important production plan in South Wales this year.

If the project went ahead, 1,300 jobs would be provided initially, increasing to 1,700 over the next two or three years, and to 3,000 by 1990.

Mr. Edwards was particularly critical of Mr. Leo Abse (Lab., Pontypool) whom, he complained, gave added emphasis to the possibility of civil disorder when, as Chairman of the Select Committee he held a press conference to launch its first report.

Unfortunately, said the Minister, this suggestion had been seen by some as an excuse for militancy while others had seen the threat of civil disorer as a weapon to change Government policy.

He also accused some Labour MPs of having supported the claim that the statements about the possibility of civil disorder led to the decision that the British Steel Corporation's Llanwern plant should be retained.

Not only was this wrong, but it could only be regarded as further encouragement to social disorder.

Edwards: faced furious Opposition protests.

In one of the more optimistic passages in his speech, Mr. Edwards spoke of the "increasing probability that we will see the first signs of industrial recovery this year."

Te announced approval for a further programme of advanced factory and house construction in mid-Wales starting in the coming financial year. The programme, to be carried out by the Development Board for Rural Wales, provides for 24 new advanced factories and two factory extensions, totalling 73,000 square feet.

They will be sited at nine locations: Aberystwith, Cardigan, Bala, Tywyn, Brecon, Hay-on-Wye, Llanwrtyd Wells, Llandrindod Wells, and Welshpool.

Mr. Alec Jones, Labour's Shadow Welsh Secretary, warned that unemployment in Wales might rise as high as 150,000. He said that when the present Government took office the total was 80,000, and insisted the dramatic increase demanded a programme of action.

Mr. Jones argued that the Select Committee's report had provided the Government with a "blueprint," but Mr. Edwards and his Cabinet colleagues had deliberately turned their backs on it.

While the report had offered hope and pointed the way forward, the Government's response had offered nothing except the continuation of the same disastrous policies which had brought about the present grave unemployment crisis in Wales.

Labour factions set for the crucial battle

Richard Evans, Lobby Editor, previews the Labour party's special conference tomorrow

SPECIAL PARTY conferences, like major parliamentary debates, often have a disconcerting habit of falling flat, making the water more muddied instead of clearer. There is a growing view that tomorrow's Labour conference at Wembley could be just such an occasion at least in the short term.

There is unlikely to be an immediate breakaway of Right-wing MPs or a clear signal that the long-predicted split in the Labour movement that would change the face of British politics has finally occurred. But in the longer term, January 24, 1981, could be a date of historic significance for the Labour party.

The meeting has been called to find a formula for electing a party leader after the Blackpool conference last October voted for the principle of a change but failed to agree on how to put this into effect. Ominously, the arguments are still continuing and promise to do so throughout today and tomorrow. The outcome remains impossible to predict with certainty.

The significance of the Wembley conference is that the issue of the method of electing a leader has been singled out by the Right as the crucial one in its running battle with the Left over policy and the party constitution.

A whole series of skirmishes ranging from policy arguments over Common Market membership, defence and the economy to re-selection of MPs have already meant retreat.

The most likely outcome of Wembley—confirmation that in future Labour MPs will not have the sole right to elect their leader—is seen by some on the Right as the final straw, the signal that the battle for control of the party has been lost.

Delegates will be faced with a choice of five electoral systems culled from more than 200 different formulae submitted by trade unions, local constituency parties and MPs. The intention is to have a brief opening debate, then a series of votes in an attempt to find a formula that will command more than 50 per cent of the vote, and then a further debate on the details of the chosen system.

Tolerance

Mr. Michael Foot—who has gone out of his way in recent days to persuade moderates not to quit the party and the Left to show more tolerance—intends to deliver a rallying address at the end of the day calling for unity and a closing of ranks behind whichever system is selected. It is a forlorn hope as one section of the party is certain to be bitterly opposed to any solution found.

The choice ranges from the straightforward but doomed ballot of all party members favoured by Dr. David Owen and other Right-wingers, through various systems of electoral college to the final option, ominously described as "miscellaneous should none of the other schemes be acceptable."

If this stage is reached there will be the prospect of continued stalemate, with fury on the Left at the destructive antics of Righh-wing unions, and handwringing on the Right on whether to quit the party in frustration or continue to fight at another special conference in the spring.

The odds are still on one of the electoral college methods probably meeting at annual conference, but the proportion of voting strengths between MPs, constituencies and trade unions remains uncertain.

The front runners are an even three-way favoured by the National Executive Committee and many Left-wingers, a compromise giving 40 per cent to MPs and 30 per cent to the constituencies and trade unions, and one which gives 50 per cent of the vote to MPs with a quarter each to the others.

Mr. Foot favours the third option as the best means of protecting the rights of MPs but ironically it might fail because of the AUEW's insistence that MPs must secure an overall majority.

Some Right-wing MPs, including Dr. Owen, seem to have already decided that their days in the party must be numbered should an electoral college go through, but others might be mollified at least temporarily by the 50 per cent formula and by Mr. Foot's appeals for unity and moderation. More MPs will almost certainly quit should the NEC formula be adopted.

Whatever the outcome, it will face the Right-wing with yet another agonised decision on whether to stay and fight or to quit and help form a new Social Democratic grouping.

A reaction by the Gang of Three — Dr. Owen, Mrs. Shirley Williams and Mr. William Rodgers — is planned shortly after the conference but it will not be the announcement of a breakaway. That almost certainly lies some months away, with conflicting views on its timing an indication of how confused and divided the Right is over tactics.

Disaffected

Instead, the intention is to launch within the Parliamentary Labour Party a pressure group of MPs — estimates vary from 10 to 20 — who would advocate social democratic policies and prepare for the launch of a new party in the spring or summer.

The view is gaining ground that a split should be delayed until after the May local elections to enable disaffected Labour councillors to fight and then give support to the new party. Whether such a relatively leisurely programme can be maintained will depend entirely on events.

The obvious tactical disagreements on the Right have made them the target of derision within the party, but their problem is an agonising one. A new political party has most of the cards stacked against it and if the timing is wrong and energies are divided the scheme is doomed. Those who set out will have to be prepared for a long, long march.

Thatcher rejects call for early debate on jobless figures

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE PRIME MINISTER yesterday rejected repeated demands from Mr. Michael Foot for a Commons statement and an early debate on the January unemployment figures, to be announced next Tuesday.

Throughout Prime Minister's Question Time, the leader of the Opposition engaged in a running battle with Mrs. Thatcher over the high level of unemployment.

Mr. Foot reminded Mrs. Thatcher that Mr. James Prior, Employment Secretary, had already predicted that the latest figures would be "appalling," and he called for an announcement in the House and an immediate debate on these "unprecedented" figures, which were the Prime Minister's direct responsibility.

Mrs. Thatcher gave a blunt "No" to his request. The figures, she said, would be given in a written statement in the normal way and Mr. Prior would be answering employment questions for 45 minutes in the Commons that Tuesday.

The Opposition leader protested that the country was faced month by month with the highest unemployment figures since the war. He wanted to know when Mrs. Thatcher was going to take responsibility for the situation she was inflicting on the country.

Mr. Foot admitted that unemployment had risen during his time as Employment Secretary in the Labour Government but said the difference was that Labour had been doing something to put the situation right and the figures had come down during the last 18 months of the Callaghan administration.

But Mrs. Thatcher snapped that unemployment had risen by more than 100 per cent during his term of office. Therefore, she could understand the "synthetic anger" he was attempting to arouse over a purely procedural matter.

Under heavy pressure from Labour MPs to give the current position, she said when the Tories took over in May 1979 unemployment was 1.3m, twice as much as the base figure when Mr. Foot had taken over under the Labour Government. The figure last December was 2.1m.

Sir William Clark (Con., Croydon South) told Mrs. Thatcher that if nationalised industries had kept prices down in line with those in the private sector over the past 12 months, inflation would now be in single figures.

"This country does not need more nationalisation. It needs less," he declared.

The Prime Minister agreed, and told him: "It is absolutely vital that the nationalised industries become as expert at cutting coss and increasing efficiency as the private sector is."

She told other questioners: "The main complaint of small businessmen is the intolerable burden put upon them by the increased prices of the nationalised industries."

Turning to the pay front, Mrs. Thatcher said many settlements in the private sector were well down in single figures and this augured well for realism in public sector pay.

Liberals join opposition to new Nationality Bill

BY MARGARET VAN HATTEM, LOBBY STAFF

THE LIBERAL PARTY yesterday joined the Labour Party in opposing the Government's Nationality Bill which gets its Second Reading next week and in demanding that the committee stage be held on the floor of the House.

Mr. David Steel, Liberal leader, argued that the constitutional implications of the Bill, which introduces three categories of British citizenship, far outweighed those of the 1971 Immigration Act. It required a more thorough review by the entire House—not just a committee.

Mr. Steel was supported by several prominent opposition speakers, including Mr. Michael Foot, Mr. John Silkin and Mr. Enoch Powell. Mr. Silkin drew particular attention to one provision in the Bill which, he said, was without constitutional precedent, by denying British nationality to certain children born in the UK.

Mr. Francis Pym, Leader of the House, reaffirmed however the Government's determination to keep the committee stage of the Bill out of the Chamber. Although the Government expects a certain amount of trouble from both sides of the House during the debate on the Second Reading, it believes there is little deep-seated opposition on the back-benches to the Bill as a whole.

However, the Government appears anxious to avoid detailed examination of specific provisions inside the Chamber, lest a focusing of attention on particular interest groups leads to defections by back-bench Conservatives.

Mr. Roy Hattersley, the Shadow Home Secretary, has already declared the Bill to be discriminatory, both racially and sexually, and has announced that Labour will oppose it next week.

Yesterday Lord Avebury, the Liberal spokesman on race relations and immigration, said any new legislation must recognise Britain's remaining obligation to former citizens of the Empire who had opted to remain British and had no other citizenship.

Energy Review: Repercussions of Polish miners' strike

By Martin Dickson, Energy Correspondent

Upsets in the growth of world coal trade

"THE AYATOLLAH of the coal world." That is the phrase international coal traders are starting to apply to Lech Walesa, the Polish union leader, as a large question mark hangs over his country's ability to export coal this year.

The parallels with Iran are obvious, if superficial. In the Middle East, the political fervour which focused on the Ayatollah Khomeini has severely disrupted Iranian oil production since the start of 1979, setting off an international supply scare and rocketing prices.

In Poland, the political upheavals of the past six months have substantially disrupted the country's coal exports. Foreign buyers have been scurrying around for alternative supplies, pushing up the delivered price of the fuel.

In terms of their impact on the world energy equation, however, the Iranian and Polish crises hardly brook comparison. Although Poland is normally the world's second biggest coal exporter, international trade in coal is as yet small. Some 200m tonnes were traded last year—most of it metallurgical coal, used for making steel, but also 60m tonnes of steam coal, used to fire power stations and industrial boilers.

Nevertheless, international trade in steam coal is set for a rapid expansion in the next 20 years as a replacement fuel for oil. One influential study has suggested it will have to grow 10 to 15 fold by the turn of the century.

Already, the process is beginning to gather some momentum. International steam coal trade has risen from 40m tonnes to 60m tonnes in the past two years—a 50 per cent rise.

Some analysts believe this could grow to 100m to 130m tonnes by 1985 as new coal fired equipment comes on stream. But others argue that the affect of recession on power demand and capital spending could slow the process.

Against this background, how seriously is the Polish crisis affecting international coal supplies and what are the likely repercussions?

Poland's coal exports (see table) peaked in 1979 at 41m tonnes, of which 26.5m tonnes went to the West and 14.9m tonnes to other Comecon countries. Some 56 per cent of exports to the West consisted of steam coal.

Despite plans to boost production, Poland had long said that 40m tonnes was likely to be the upper limit of its exports—at least until the mid-1990s—because of rising domestic demand.

But no one was prepared for the sudden drop in exports which followed last year's political upheavals and the introduction of a five-day working week in the mines. Exports are estimated to have dropped to 32m-33m tonnes last year and are likely to be well below that level in the coming 12 months. Optimists believe Poland could export 20m-25m tonnes. Pessimists fear supplies could dry up completely.

Mr. Jozef Pinkowski, the Polish Premier, warned miners recently that if output remained at the current 600,000 tonnes a day the country would produce only 150m tonnes in 1981—43m tonnes less than last year, ending all coal exports and even depriving domestic industry and power stations. While assuring the miners that they would keep their five-day working week, he appealed to them to do voluntary work on Saturdays.

The main impact of Polish supply cuts is falling on western Europe—Poland's traditional market and the main growth area of the international steam coal trade.

During the past two years a widening differential between the price of fuel oil and coal in terms of heat delivered has pushed European power utilities back to burning coal rather than oil.

ESTIMATED 1979 POLISH COAL EXPORTS BY COUNTRY

	Million tonnes	Percent of countries' total coal imports
Western countries		
France	4.6	16.8
Finland	4.3	89.6
Italy	3.3	23.7
Denmark	3.1	41.3
West Germany	2.6	33.3
Spain	1.3	21.0
Brazil	1.2	26.7
Austria	1.0	35.7
All others	5.1	4.1
	26.5	13.5
Socialist countries		
USSR	9.4	99.0
Czechoslovakia	2.2	41.5
East Germany	2.0	33.3
Other	1.3	11.1
	14.9	45.9
Total	41.4	18.1

Source: Chase Manhattan

Striking coal miners pictured last September at Poland's Lipcowy mine. At the back is a statue of St. Barbara, their patron saint.

In many cases this has been done by changing the so-called merit order of existing stations—so that coal-fired ones are brought on to meet additional demand rather than oil fired plants. In some countries, however, individual power stations have been converted from oil to coal firing.

As a result, deliveries of coal to EEC power stations rose from 154m tonnes in 1978 to 166m tonnes in 1979 and an estimated 175-180m tonnes last year.

European industry generally has been slower to adapt. Coal deliveries to EEC industries have remained virtually static for the past two years at around 22m tonnes, although there are some signs of growth here too, notably in the cement sector.

With coal output growing only slowly (and primarily for the domestic market) in the UK and Germany — Western Europe's two big producers—the EEC countries have had to look outwards for their incremental steam coal demands.

This expansion of steam coal demand among the industrialised nations has been met primarily by the U.S. and South Africa, whose exports have grown rapidly during the past few years, and to a lesser extent Australia.

South Africa is now exporting 24m tonnes a year through its large terminal at Richards Bay, Natal, while U.S. exports of steam coal (other than to Canada) rose from some 2m tonnes in 1979 to about 13m tonnes last year.

But while demand for steam coal remains buoyant, the world is now facing supply constraints. The most obvious of these is the drop in Polish exports, but transport bottlenecks among the other major exporters give them little room to make up any shortfall.

Richards Bay is now exporting at its full capacity and an expansion of throughput, to 44m tonnes, will not be completed until the mid-1980s. Similarly, Australia's main New South Wales outlets, Newcastle and Port Kembla, are at about their limits and an expansion programme at Port Kembla will not be completed until next year.

But the most dramatic bottleneck is at Hampton Roads, the main U.S. east coast export terminal, where more than 150 vessels are now waiting in a queue to take on coal. According to America's National Coal Association, U.S. coal exports last year could have been 10m tonnes higher than the 65m tonnes recorded (for both metallurgical and steam coals) if the ports had not been congested.

U.S. exports are expected to grow by a modest 4 to 5 per cent this year, partly because of port congestion but also because rising demand for steam coal will be offset by reduced demand for metallurgical coal.

Despite these supply constraints the Polish crisis is not yet producing acute concern among coal importers. This is partly because coal stocks are relatively high in Europe, partly because if the worst happens many utilities can simply increase their oil burn, albeit at greater expense, and partly because recession in the steel industry means metallurgical coals are available for use in power stations. The normal price differential between steam coals and higher quality coking coals has been squeezed dramatically in recent years until they are now approaching parity.

Furthermore, the countries likely to be hardest hit by a Polish shortfall, notably Denmark and Finland, have already made alternative supply plans—primarily with the U.S., but including some deals with Britain's National Coal Board.

The NCB, currently facing a sharp slump in domestic demand for coal, has been mounting a major export drive expected to increase overseas sales from 2.5m tonnes in 1979-1980 to 4m tonnes in 1980-81. The sales have not been profitable—because of competition from cheaper U.S. and Australian coals—but they are providing the NCB with valuable cash flow at a time when its finances are being squeezed hard.

About 500,000 tonnes of this extra business is attributed to the Polish crisis. NCB officials estimate they could export a further 1m to 1.5m tonnes—provided the price was right.

The average spot price of steam coal delivered to the major European entrepôts of Amsterdam - Rotterdam and Antwerp (ARA) stood at around $38-$39 a tonne at the beginning of 1979. By the end of the year it was up to $49 a tonne and then leapt again in the last quarter of 1980 to around the $60 mark.

Now, dealers report that the ARA price of U.S. steam coals of 12,000 British Thermal Units a pound, 1 per cent sulphur and 13 per cent ash content stands at about $70 a tonne.

Much of this is attributable to rapidly rising transport costs, with transatlantic freight rates running at $14 to $17 a tonne and shippers facing big demurrage charges—$10 or more a tonne—at U.S. East Coast ports because of congestion.

As higher oil prices affect freight rates and supply constraints feed back into higher pithead coal prices, traders believe delivered steam coal prices are likely to rise by an average of at least 10 per cent before the end of the year.

Even so, the price of coal should remain highly attractive to power utilities and industries as an alternative to oil. The differential between the two, in terms of heat delivered, has now widened to the point where coal is less than 50 per cent of the cost of heavy fuel oil. The ease of handling oil takes away some of this edge, but coal remains highly competitive.

For all the exhortations by governments about the need for industry to switch to coal, it is this price advantage which is going to be the driving force behind's coal's expansion over the next two decades.

But that expansion will depend ultimately on whether sufficient supplies of coal can be transported from the mines of the U.S., Australia and South Africa via rail or slurry pipeline to ports and across the seas.

The Polish crisis, by exacerbating the transport bottlenecks which exist with a steam coal trade of just 60m tonnes a year, demonstrates the immense problems of co-ordinating transport chains from pit to power station should trade expand 15-fold.

The long lines of ships lying at anchor off Hampton Roads adequately testify to the need for action by Governments.

UK NEWS—LABOUR

Engineering union may hold key to Labour lead poll

BY PHILIP BASSETT AND CHRISTIAN TYLER

TRADE UNION leaders are holding a round of last-minute meetings to determine how union votes will be cast at tomorrow's special Labour Party conference.

The most crucial is likely to be the meeting tonight of the 35-strong conference delegation of the engineering section of the Amalgamated Union of Engineering Workers, which commands 928,000 votes at conference.

Left-wingers in the union plan to try to secure a decision to make the union abstain from voting in the final poll on the form of the new electoral college for the party leader.

The final vote is expected to be on the formula supported by Left-wing unions, giving one-third of the votes in the college each to the Parliamentary Labour Party, unions and constituency parties.

If the AUEW Left succeeds tonight at the meeting in a London hotel, then the AUEW's abstention could mean the three-way even split proposal being adopted by conference. This could lead to deep differences in the party, and the resignation from it of the so-called "Gang of Three" and other moderates.

The Left has a majority in the AUEW delegation of 18-17, provided there are no defections, following the switch in voting before the Blackpool party conference last year of one delegate, Mr. Douggie Knott. The Left is now sure of Mr. Knott's allegiance to its cause.

However, it is thought likely that the moderate leadership of the union may reject the Left's argument that the union's policy-making national committee has made no decision on abstention from the vote, and argue instead that because of its previous policy of supporting the status quo, or election of the leader by the PLP alone, then the union should actively vote against the three-way even split formula.

If the AUEW Left is successful tonight, then there was some feeling yesterday that the moderate unions, which have been firm in their support for the formula giving 50 per cent of the votes to the PLP and 25 per cent each to the other two groups, might switch their votes to prevent the three-way even split option winning through, even though it would mean the conference reaching no conclusion at all. Right-wing union leaders were meeting last night.

However, a tally of voting intentions for the conference circulating among Left-wing union leaders last night, suggests that the conference will reach a conclusion and that the electoral college is bound to be adopted.

According to this estimate, nearly 4.7m votes are committed to one or more varieties of electoral college, 1.8m against including those who will not settle for less than an overall majority for the Parliamentary Labour Party. Some 153,000 votes are said to be floating.

The main contest will be between the Left-supported three-way even split between MPs, unions and constituency parties, and the moderate camp's proposal of 50 per cent for MPs and a quarter each for unions and constituency parties.

Council manual men set for 7.5% deal

By John Lloyd

LOCAL AUTHORITY manual workers appear certain to accept the employers' 7.5 per cent pay offer, backdated to November 4.

Members of th elargest union, the General and Municipal Workers Union, with 300,000 of the 1m workers, voted overwhelmingly to accept.

Early signs from the National Union of Public Employees, the second largest union, also point to a stron gtide in favour of acceptance.

The offe ramounts to a £4.60 rise on basic rates, but increased earnings on bonus and shift pay are likely to rase the average valu eto about 10 per cent.

The settlement will cost the local authorities £168m, and raise basic rates to between £59 and £73.50 for a 40-hour week. The manual workers will also receive an extra day's holiday.

Mr. Charles Donnet, the GMWU regional organiser, said yesterday that only two regions — Liverpool and Nottingham — rejected the offer.

The offer will be closely watched by negotiators for the 250,000 hospital ancillary workers, whose talks are due to start next week.

Dockers black two Townsend ferries

BY PAULINE CLARK, LABOUR STAFF

DOCKERS JOINED industrial action by seamen for the first time yesterday when they helped to prevent two Townsend Thorensen cross-Channel ferries from docking at Southampton and Portsmouth.

But the company yesterday offere dits 250 ratings on three ships operating from the two ports a local 10 per cen pay deal on consolidated earnings of £170 a week, in an attempt to end the action by its ferrymen who are involved in the seamen's national pay dispute.

The offer was seen by the General Council of British Shipping, representing some 200 shipping companies involved in the national dispute, as an important test of whether seamen are prepared to accept a rise at that level in spite of its rejection by the National Union of Seamen.

The company, whose Southampton and Portsmouth vessels have been blacked by seamen after it laid off strikers on the Viking Venturer passenger ferry earlier this week, said last night it was awaiting a response to the local offer.

Townsend Thoresen said there had been no breakaway from the shipping council's national pay stance, under which 26,000 seamen have been offered a 12 per cent rise including improvements in weekend overtime rates. The company said its offer was fairer to the ferrymen, whose overtime earnings are consolidated unlike those of ratings on deep-sea vessels.

Its three British-crewed ferries involved in the blacking action were yesterday stranded at Southampton, it said. Two were anchored outside the port after riggers refused to tie them up. The Viking IV was said to be carrying 12 lorries, one with a cargo of perishable fruit, while the Viking Trader freight ferry was anchored off Spithead after a sit-in by crewmen.

As industrial action by seamen continued to disrupt British shipping at home and abroad yesterday, the shipping council claimed that owners of nine ships had made firm decisions to sell vessels or transfer to a foreign flag as a result of the dispute. It said the decisions would mean the loss of 300 jobs.

The National Union of Seamen said yesterday that 160 ships were tied up by industrial action yesterday, including 60 in foreign ports.

Joint cash plea by BR, unions

By Our Labour Staff

THE GOVERNMENT has told British Rail not to expect "instant decisions" on railway funding when it meets the BR Council and the unions next week at a special session.

Mr. Norman Fowler, Transport Minister, has told Sir Peter Parker, BR chairman, in a letter that the meeting was an "excellent opportunity" to hear the views of BR and its unions on the prospects of the BR corporate plan. BR and the unions will press for an increase of some £50m on the present £920m external financing limit for 1981-82.

Packaging plant may close

FINANCIAL TIMES REPORTER

AUSTIN PACKAGING GROUP of Bronborough, Merseyside, has told its unions, that by this afternoon they must either agree to the labour force being trimmed by 176 or face the closure of the factory with 480 redundancies.

Before Christmas the company, which is part of Unilever, gave the Department of Employment 90 days notice of intention to cut its payroll by 176.

However, since then, despite almost continuous negotiations with the unions, agreement has not been reached on the number of jobs that should be shared.

Austin Packaging is in industrial Wirral, which has suffered a series of blows. At the end of last year, the Bowater newsprint mill in Ellesmere Port closed with the loss of 1,541 jobs.

A campaign is underway to save the Lucas Girling disc brake factory, Bronborough, which employs 921 people, from shutting down by July.

Austin Packaging makes cardboard cartons for supermarkets.

Yesterday Mr. John Dutton, the company's secretary and commercial director, said Austria's main concern was to save 305 jobs.

Christine Moir reports on special TUC talks

Action call on pensions

CALLS for concerted trade union pressure for effective control over the £45bn of assets in occupational pension funds met with a patchy and uncertain response from delegates at a TUC conference yesterday.

But Mr. Terry Parry, chairman of the conference and head of the TUC's social insurance and industrial welfare committee which organised it, said it was a good beginning to a long and important debate.

Over 200 trade unionists drawn from the members of the country's 32 largest pension schemes were invited to Congress House where the TUC is attempting to assess grass roots response to pension policies which have so far failed to be supported by legislation.

Although most delegates agreed with the concept that worker representation on pension funds should be through trade unions, more positive proposals for direction of investment of funds met with demands for further investigation into the inherent problems of investment management.

The TUC central office propared a three-part policy document which was introduced by Mr. Len Murray, the TUC General Secretary. It called for:

- Legislation to give members rights to appoint 50 per cent of the management of a fund through their trade union.
- The formation of a National Investment Bank formed with an initial tranche of £1bn—or 10 per cent of the net inflow of money into the financial institutions—matched by an equal sum from North Sea oil revenues.
- A centralised TUC training and support bureau which would train trade union delegates as trustees and in investment strategies.

Mr. Murray claimed the trade union movement had won the argument to be given 50 per cent of the management of pension funds. But he admitted that the movement had lost the chance of legislation to enforce those rights. He said the Government's reluctance to legislate along these lines was regrettable.

The proposals for a TUC-sponsored National Investment Bank has also met with Government opposition. Last night it was also condemned by Mr. Gordon Richardson, Governor of the Bank of England.

Mr. Murray said: "We may have to wait for another Government before we get the National Investment Bank." But he said it was vital. "The funds have it within their own capacity to make a major contribution to the improvement of Britain's economic and industrial performance on which their returns and the pensions of scheme members depend."

Several delegates noted the problems and conflicts of taking the sort of risks inherent in the proposals for the National Investment Bank. Others noted the experience of the National Enterprise Board, which had been set up for much the same purposes, but which had failed and been corrupted by lack of organisation and conceptual strength.

Organisational strength and backing for trade union trustees was also a central issue. Mr. Leif Mills, of the Banking, Insurance and Finance Union, spoke of the need to set up a bureau within the TUC which would provide training and information.

Mr. Mills, who had been one of the Trade Union representatives on the Wilson Committee on the City, proposed a central databank which would contain details of all pension fund holdings in British companies and Government stocks.

The tenor of the meeting was best reflected by Mr. Clive Jenkins, general secretary of the ASTMS, who said the whole area of investment posed important and difficult questions to which there were few answers.

He called for an end to the mystique surrounding investment and ersearch into areas such as whether a pension fund "could go bust"; how much money was flowing out in foreign investment; and whether it matters if funds do not invest in British companies if they take up Government stocks.

Winding up the conference, Mr. Len Murray said: "It's not a question of transforming trade unionists into actuaries, but of them identifying the sometimes quite simple questions that need to be asked and which will expose the often abysmal ignorance of the people on the other side."

THE PROPERTY MARKET BY ANDREW TAYLOR

Nursery unit rush starts a re-think

A MAJOR obstacle to the formation of new generations of small businesses has been the failure of developers to provide adequate premises. But there are good reasons to believe that this climate may be swiftly changing, so much so that some property experts fear an over-development of nursery factory units in some local markets.

Industrial property agents report a surge of interest in nursery units in recent months from private investors—and some merchant banks and finance leasing companies—seeking to take advantage of the tax shelter these units now provide.

Such has been the level and type of demand—as the tax year draws to a close—that agents are becoming concerned about the prospects for over-development in particular markets and the possibility of badly conceived schemes based on tax benefits rather than normal development considerations.

One major long-term institutional investor has now decided to call a temporary halt to any further new investment in nursery units, partly because of fears that the market may become over-heated.

The National Coal Board's pension funds—which during the past 3½ years have invested in around 1m sq ft of small industrial units ranging in size from 500 sq ft to 3,000 sq ft—has decided not to put any more money into nursery units for the time being. This will not affect the funds' planned £15m investment into nursery units in a joint scheme with English Industrial Estates Corporation.

The key to the present upsurge in nursery unit investment interest is the government's decision, announced last March, to allow 100 per cent capital tax allowances on the construction of small industrial units of up to 2,500 sq ft.

Even if only half the investment interest now being shown materialises in the shape of new development then it seems likely that small businesses will *have a far wider choice of premises* than has been available in the past.

Changing

Mr. Christopher Jonas, of agents Drivers Jonas—which last year worked with Coopers Lybrand, management consultants, to produce a Government sponsored report on small business premises—says that the investment climate is undoubtedly changing. His firm is currently "seriously considering" 12 schemes, involving industrial building allowances on small units, involving a total of £10m.

One feature of recent demand has been the growing interest of some merchant banks and finance leasing companies which have been attempting to evolve (often complicated) schemes to allow their clients to take full advantage of tax allowances now available.

A number of new development schemes now being considered on behalf of investors will be completed too late—many are still in the planning stage—to qualify for relief in the current tax year. However, agents Grant and Partners say recent demand has chased down some investment yields to as low as 7 per cent, compared with normal commercial levels prevailing, for most of last year, of around 9 per cent and more.

"Problems could arise if investors, needing to find a tax shelter, are prepared to take on any situation regardless of local demand or likely rental levels. This becomes more acute towards the end of the financial year, where bunching of demand is already occurring," says Tony Grant of Grant and Partners.

Mr. Grant says his firm is working on around £25m of potential business involving industrial building allowances—although he admits that some of this could well fall by the wayside.

Some prospective investors may be deterred by the complex leasing arrangements often required to reduce the risks traditionally associated with nursery unit investments and which at the same time allow the investor to retain the 100 per cent tax allowance.

These arrangements can involve complicated lease-back deals—more complex when merchant banks or finance leasing companies are participating—where the developer or, more commonly, a supporting local authority agrees to guarantee rents and so take on the risk that nursery units will occasionally fall empty as small businesses fail.

Guarantees

London and Leeds, the property development arm of the Ladbroke Group, is one developer which has been prepared to offer leasehold investors rental guarantees. It has also been prepared to offer short-term leases, under licence, to small business tenants. Under this scheme tenants are able to take one-year licences with just a quarter of the rent payable in advance.

Other developers—although still in a minority—are also showing a more enlightened approach to tenancy agreements. These have recognised that formation of small businesses can be frustrated by traditional 25-year industrial leases, particularly when people are committing life savings to starting a new company.

A. and J. Mucklow, which has been developing nursery factory units for about four years in the West Midlands, offers its tenants a wide range of leases starting at three years. The group is now offering for the *first time to sell some of its* nursery unit developments to private investors.

Developers' attitudes towards nursery units have been changing for some time and many new industrial estates—both completed and planned—include some provision for "starter factories." For example, Arrowcroft's plans for a 273,000 square feet industrial park at White City in London includes proposals to build 12 nursery units, each of around 2,400 square feet.

Laing Properties at Chelmsford is currently planning to build six nursery units, each of around 1,500 square feet as part of its proposed 150,000 square feet Chelmsford Industrial Park.

London and Leeds is proposing several major industrial schemes involving nursery units. One of the largest of these is the 550,000 square feet Capitol Industrial Park, Stag Lane, London NW9 where around 30 nursery units are expected to be built providing around 70,000 square feet.

Opposition to nursery unit development has traditionally ben based on: the problems of managing a number of small units, the poor quality of tenant covenants and the risk that voids may arise as businesses fail. The relatively higher cost of nursery unit construction compared with other industrial developments has been regarded as another minus factor.

But developers have more *recently become increasingly* aware of some of the advantages of nursery unit development—not least the higher yields on some of these properties, with rents in some areas as high as £5 a sq ft.

Investing institutions have also become more aware of the need to provide a wider mix of properties on new industrial estates—taking the view that today's small business will, if successful, need eventually to take on larger premises.

Plans by the English Industrial Estates Corporation to attract private sector finance to build nusery units has so far attracted more than £25m from bodies like the Coal Board pension funds, Legal and General Assurance, Barclays Bank and Midland Bank.

It is against this background that the government's scheme to provide tax relief on small industrial premises seems likely to provide another filip to the nursery unit market. Whether or not units which will be built will be in the right place or will meet the present gap in the market for really small units of around 500 sq ft is another question. Meanwhile, investors should show caution before undertaking investments.

● A rental of £1.25m a year (£17.50 a sq ft) is being asked for the 70,000 sq ft Granada Properties office scheme now being built at Finsbury Square EC2 and due for completion in November. The building was topped out this week and letting agents are Jones Lang Wootton.

● Laing Properties Inc. of Atlanta has topped out the first 100,000 sq ft phase of its Pallisades office complex close to the Atlanta perimeter highway. The completed scheme will contain 325,000 sq ft of office space with an estimated value on letting of $35m.

Natwest wins tender battle

● National Westminster Bank has beaten off allcomers to win the tender for 11, Leadenhall Street, City, the 9,500 sq ft office building adjoining the new Lloyd's site. Knight Frank and Rutley, who acted for the Bank of Adelaide, *seem particularly happy* about the outcome of the sale—which attracted bids from banks, insurance groups, developers and institutional investors—but are remaining tight-lipped about the terms.

Natwest had a branch within the old Lloyd's complex and in the absence of any firm assurance about space in the new building took an interest in the space next door. The sale price is expected to prove no less surprising than that realised for the City Corporation's Leadenhall *Street-Mitre Street* site which has apparently just been sold to a development group for over £7m, representing something in the order of £2m more than many people in the market had been expecting.

● A rent of £22 a sq ft has been obtained for the former Bankers Trust building adjoining the American Embassy in Grosvenor Square, Mayfair. Trade Development Bank is taking the 6,300 sq ft of banking hall and office space on a new 23-year lease and expects to move in soon. Michael Laurie acted for the tenants and Lambert Smith, who represented the private property company owners, are now marketing the remaining 6,200 sq ft at a rent of £140,000 a year.

● Royal Insurance is funding a 31,500 sq ft office scheme at the Cloth Market, Newcastle-upon-Tyne, in conjunction with Whitbread Trafalgar Properties. The cost of the scheme is thought to be in the region of £2½m-£3m. Conrad Phoenix, Grant and Partners and St. Quintin are agents.

● British Telecom has taken all the space in Burlington House, Coventry, the 70,000 sq ft scheme developed by Burlington Trust and Royal Insurance. The rent was over £270,000 a year. The tenants were advised by the Property Services Agency while Weatherall Green and Smith, St. Quintin and Charles Odell were joint letting agents.

● France is set to came back into fashion as a market for institutional property investors, according to Colin Kerr, joint senior partner at Edward Erdman, which has *recently entered* into association with Groupe Auguste-Thouard to operate throughout Europe. Under the new arrangement Erdman—which has its own Paris office—has already completed its first major transaction with Norwich Union in Paris and Colin Kerr says that the French property investment market offers the strength and stability which could again make it one of the most popular options for international investors. Competition is bound to warm up, he adds, with French institu*tions' property exposure* is low but rising fast.

● There is, for the first time in over ten years, a plentiful supply of industrial land for sale in the West Midlands and prices for larger sites have fallen by over 20 per cent, according to Grimley and Son, the Birmingham-based agents. The firm says there is still a shortage of prime and small sites but points out that over 15 factories of 100,000 sq ft and more have been put on the West Midlands market in recent months.

● St. Mary at Hill Properties, the company in which Guinness Peat and Sir Robert McAlpine have a major interest, have completed the Red Lion Court office scheme off Fleet Street. The resulting 11,200 sq ft has been let to St. James's Advertising and Publishing at a rent close to the asking level of £132,000 a year. The development was funded by the Cheshire County Council Pension Fund and Healey and Baker acted for St. Mary at Hill. The tenants were advised by Anthony Lipton.

● Wyndham Investments have, followed their purchase of prime shops in Nottingham and York, paid £406,000 for another freehold shop at 122, High Street, Winchester. The premises were sold at auction by Allsop and are let on a 20-year lease from 1976 at £4,000 a year with five-year reviews. Wyndham, the property holding company of Allied Breweries Pension Funds, was represented by Debenham Tewson and Chinnocks. The same agents have let Capital House, Haywards Heath, the new 23,500 sq ft office scheme recently purchased by Wyndham Investments' to Lloyds Bank at an initial rent of £141,000 a year, showing a net yield of about 7 per cent.

● The 41,000 sq ft Royal Waterloo Hospital, located on the southern end of Waterloo Bridge and at one end of the Coin Street complex is being offered for sale through Healey and Baker on behalf of the South East Thames regional health authority.

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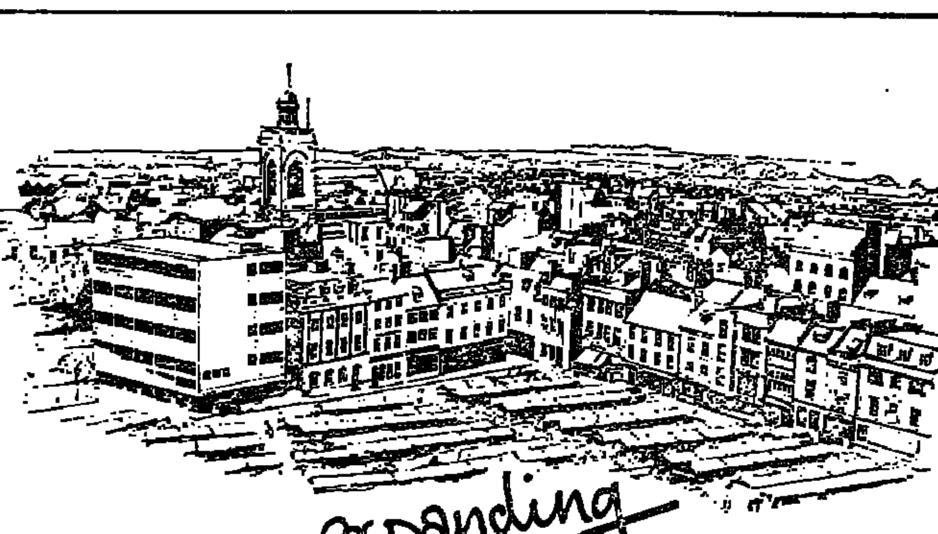

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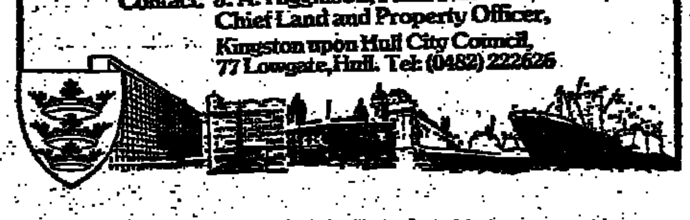

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APPOINTMENTS

Dunlop directors

Mr. John Baring has been appointed to the Board of DUNLOP HOLDINGS as a non-executive director and Mr. Anthony Harvey has joined the Board as an executive director responsible for diversified product operations in the UK. Mr. Jeremy Lever, a non-executive director since 1973, is now resident in Brussels and has resigned from the Board.

Appointments held by Mr. Baring include the chairmanship of Baring Brothers and Co. and of the Accepting Houses Committee and deputy chairman of Royal Insurance. Mr. Harvey began his career with Dunlop in Nigeria in 1959. He has held a number of group posts in the UK and abroad and was made director of overseas operations in 1977.

★

Mr. R. E. Tozer has been appointed a director of GUINNESS MAHON AND CO.

★

Mr. Cyril Teed has been appointed to the new position of marketing director of PLESSEY DEFENCE SYSTEMS. He was previously marketing director of Marconi Communications' Systems.

★

The Board of ANDERSON MAN, a London-based commodity broking company formed by the English Association Group, E. D. and F. Man and Mr. David Anderson, is as follows: Mr. Richard Cox-Johnson (chairman), Mr. Anderson, managing; Mr. David Shaw (finance); Mr. Ian Mackinnon (dealing), Mr. Richard Macaire and Mr. Julian Biggs.

★

Two new members have been elected to the Board of VAUXHALL MOTORS. Mr. William R. DeLong becomes director of finance, and Mr. Donald Vallance, director of passenger car manufacturing and co-ordination of Vauxhall/Bedford production.

Mr. DeLong, formerly executive director of finance, General Motors-Holdens Pty., succeeds Mr. Stanley T. Weber, who has resigned from the Board on retirement from the company. Mr. Vallance, whose appointment was announced last month, was previously manager of the company's Ellesmere Port Plant.

★

Mr. K. C. Ragg has been appointed a director of BRAHAM MILLAR GROUP with responsibility for sales and marketing.

★

Miss Elizabeth Carnegy has been appointed part-time chairman of the MANPOWER SERVICES COMMITTEE FOR SCOTLAND for three years. She succeeds Dr. Tom Johnston, whose three-year term of office expired in November.

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Allied Irish Bank	14 %	■ Hill, Samuel	§14 %
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Amro Bank	14 %	Hongkong & Shanghai	14 %
Henry Ansbacher	14 %	Keyser Ullmann	14 %
AP Bank Ltd.	14 %	Knowsley & Co. Ltd.	16 %
■ Arbuthnot Latham	14 %	Langris Trust Ltd.	14 %
Associates Cap. Corp.	14 %	Lloyds Bank	14 %
Banco de Bilbao	14 %	Edward Manson & Co.	15 %
BCCI	14 %	Midland Bank	14 %
Bank of Cyprus	14 %	■ Samuel Montagu	14 %
Bank of N.S.W.	14 %	■ Morgan Grenfell	14 %
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Bremar Holdings Ltd.	15 %	Ryl. Bk. Canada (Ldn.)	14 %
Brit. Bank of Mid. East	14 %	Slavenburg's Bank	14 %
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Canada Perm't Trust	15 %	Standard Chartered	14 %
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Cedar Holdings	14 %	Trustee Savings Bank	14 %
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The Cyprus Popular Bk.	14 %		
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Eagil Trust	14 %		
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‡ Call deposits £1,000 and over 11½%.
¶ 7-day deposits 12%.
§ Demand deposits 12%.

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24	£2.53
36	£3.37

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MANAGEMENT

EDITED BY CHRISTOPHER LORENZ

Tapping Government grants

IT IS quite extraordinary what a difference a few yards of land can make. Put up a factory in one spot and you could qualify for a substantial slice of financial aid towards the capital cost of the builidng. Erect it just a short distance away and you could get no aid at all.

That, according to Bernard Harris, is the sort of situation that can easily arise if a proper investigation of available sources of grants and aid, both from central and local government in the UK and from the European Commission, is not carried out.

The picture can be even more convoluted, says Harris, pointing out that some forms of aid are mutually exclusive—meaning that by getting hold of a small slug of finance from one source, a company may well end up being refused a much bigger slice from another.

The answer, according to Harris, is to get a better understanding of the procedures involved in applying for grants and aid and in presenting projects in their best light. Which is where Harris comes in.

His business as a director of Eurofi (UK) is to provide the necessary expertise to take companies through the corridors of Whitehall, Brussels and elsewhere in search of finance.

Stagger

Too often, Harris maintains, companies are pushed into making investment decisions out of need. This means they leave too little time to plan the investment and the financing of it. "Most companies stagger from one source of finance to another, relying on public sector signposts; for example, civil servants who may well refer you to the wrong, or inappropriate people," he says.

Harris repeatedly stresses the necessity to start thinking about and planning a project well in advance of the need to bring it on stream.

While there may be over 20 forms of grant and aid available from the EEC and around 90 from UK bodies, in the vast majority of cases the finance is available only by negotiation. And given the increasing limitations on the availability of funds projects put up by companies need to be well presented and worth while, says Harris.

Eurofi (UK), 25 London Road, Newbury, Berkshire.

Nicholas Leslie

A dying industry gets a new kick-start

John Griffiths witnesses the birth of a British motorcycle

"THE JAPANESE?" asked Bernard Sheerin, waving his arms around the halls of this month's Racing and Sporting Motor Cycle Show—"where are they? What efforts have they made to display here? They figure they've wiped out every last bit of fight from the British and that they can pretty well do as they please.

"Well, if they really do think they can survive that way—they haven't done any fundamental development work for ten years—then we are about to leap up and bite their backsides."

These are brave words, and they certainly depict a novel form of attack compared with biblical precedent: Sheerin is the 38-year-old cast in the role of David and who is now apparently bent on challenging Tokyo's motorcycle Goliaths.

But is there really the faintest hope of a small British enginering group fighting its way out of the cranny into which the last remnants of the once world-leading UK motorcycle industry has been shoved by the Japanese in the past 20 years?

Despite all the historical evidence to the contrary, Bernard Sheerin thinks Waddon Engineering, the group of which he is chairman and managing director, does stand a chance.

Furthermore, the aims of the group, which expects a £3.5m turnover this year, are not confined to capturing a foothold in the UK market. Sheerin's goal is to wrest back from the Japanese 50 per cent of the European market for machines between 125 cc and 500 cc.

Even the ebullient Sheerin admits that that might be a major, long-term haul which will not be achieved without partners.

But Waddon made an initial, promising start of its own when it stole the show at the Horticultural Halls in Westminster. The Japanese were indeed absent. Waddon's stand, opened by Sir Monty Finiston, British Steel's former chairman who has been acting as an informal consultant to the group, was by far the biggest. The stand itself cost £25,000, but the TV cameras zeroed in on the £100,000 worth of 16 new racing motorcycles, frames and components lining its walls.

The racing machines are in production and on sale. They represent one of the industry's best-kept secrets, for Waddon has researched, developed and begun building them under wraps during the past two years.

Waddon got involved in motorcycles almost by accident. In 1976, while casting around for ways in which to become involved in design and manufacture of motor components, it *became interested in the* French DeCarbon racing motorcycle shock absorber. It began marketing them, but with the underlying intention to develop them further and, in a technical trade-off, gain the right to manufacture them. DeCarbon eventually said no, but in the meantime Waddon had become intrigued by motorcycle design and convinced that it could be improved. Thus development of a complete machine began, with the tangible results evident at the show.

Disappears down abyss

A new subsidiary, Waddon Performance Products, was set up at the start of 1979 to handle the project, which has been carried out almost entirely in-house. The only "outsider" taken on was Nigel Leaper, a designer wooed away from Tony *Foale, a racing specialist once* with John Surtees' team and who preceded Waddon in exploring the concept embodied in the Waddon machine — a single main frame tube with the rear suspension cantilevered on a single shock absorber.

During the next few months the role of Waddon's racing machines is to prove in public the reliability and performance which WE believes it has built in during 25,000 miles of testing. The racers are destined to add an extra element of excitement to the Japanese-dominated racing scene. But they are really no more than public test-beds for the road machines which will start emerging from the group's 37,000 sq ft Croydon premises from August onwards.

Sheerin explains the secrecy as follows: "What's been the eternal downfall of UK industry? . . . It creates a new product. Everyone stands back and says 'bloody marvellous.' Then it disappears down the abyss of non-manufacture. From the start, WE set itself to emerge into the open and say 'look what we've done,' rather than 'look what we're going to do.'"

It is a fair point. However, while the road machines are identical in concept to the racers, and will use identical main assemblies such as the frame, major uncertainties remain that will affect how they will be received in the market*place*.

While WE has distribution experience in its other business activities, it does not extend to anything like the complexity of organising supplies of machines and replacement parts for what—if Waddon's plans are to succeed—should be a large retailing network, to say nothing of ensuring satisfactory servicing.

To raise production above the Croydon factory's maximum capacity of 5,000 machines a year will require, Sheerin admits, a move to much larger facilities elsewhere, almost certainly in a development area and using outside aid.

On that basis, it sounds a bit too much like wishful thinking to challenge the Japanese industry, which produces 6m machines a year and was planned almost from the outset to harness maximum economies of scale to achieve world market domination at the expense of short-term profit. The Japanese industry now accounts for three-quarters of world output, and compared with WE has immeasurable resources.

Sheerin justifies his confidence as follows: First, Waddon as a group has most of the necessary ingredients for motorcycle manufacture. Its main business, jigs and tooling for the aerospace industry—it is currently designing and making the tooling for Airbus wings—entails much more complicated machinery than for motorcycles.

Designing, developing and producing machinery for the motorcycles, says Sheerin, was thus a low-cost, small addition to the group's work-load and not a major hurdle. Total development costs, insists Sheerin, have not exceeded £100,000.

Second, one of the group's five companies, Waddon Stockholding, functions as an aerospace ferrous steel stockholder. While the motorcycles do not use really exotic aerospace materials, Waddon says it obviously has a pretty shrewd idea about how to obtain its raw materials efficiently and cheaply.

Hugh Routledge

Bernard Sheerin with Waddon Engineering's new racing motorcycle: "We are about to leap up and bite the Japanese on their backsides."

Third, it is a strongly research-orientated company. Another subsidiary, Waddon Management Services, provides design and tooling services to outside industry, both in the UK and out of offices in Los Angeles. With design projects as diverse as microwave food moisture content analysis equipment for the Food Research Association and friction analysis equipment for the British Ceramics Association, Waddon argues that it has had all in-house expertise it needed to develop the machine from scratch.

Fourth, it says it has secure and price-competitive supplies of a range of engines from Rotax, the Austrian-based subsidiary of Bombardier Rotax of Montreal, whose own Can Am motorcycles are sold across North America. The Austrian plant, near Vienna, has a capacity of 240,000 engines of 125cc and 250cc a year. They are used in lawnmowers and snowmobiles, in addition to motorcycles.

Waddon is currently engaged in talks with Rotax which, it believes, should lead to Rotax making larger capacity units needed to fill out its range up to 500cc. And it sees Bombardier Rotax, known to be investigating the prospects of motorcycle manufacture in mainland Europe, as its potential partner in attacking the higher volumes of the European market, with Waddon making the rolling chassis and BM supplying the engines.

Waddon is now starting to take on the 200 assembly workers it would require to produce 5,000 bikes per year. The existing establishment of 150 is already producing the components designed and manufactured in-house. The remaining components—all to Waddon's design—have been subcontracted in the UK. But there are not many.

The essence of the machine is *simplicity*, based round a frame which, though unconventional—for road machines—and cheap to produce, "is far advanced in its design geometry over anything the Japanese—or anyone else—have produced." Patent applied for, it is built from five cheaply replaceable parts.

The design provides the key to what Waddon sees as a decisive factor in winning sales: the engine/gearbox unit is slung under the main frame tube and can be removed in five minutes. It is designed to take engines from 125 cc upwards and the single rolling chassis has been designed from scratch to handle high-power outputs.

In other words, a learner rider confined to a 125 cc machine on passing his test can "trade up" not to another motorcycle — but to a bigger engine, at about a third of the cost.

The company has now clarified some over-enthusiastic start-of-show statements which suggested that its machines on average would be 30 per cent cheaper than comparable Japanese machines. Certainly, the racing motorcycles are priced at up to £1,200 below the Japanese equivalents. But road machines, at least in the 5,000-a-year volume stage, are unlikely to be any cheaper. "At worst," admits Sheerin, "there will be choice; at best, choice at the same price." The projections of a 30 per cent saving are based on the rather artificial assumption that any given rider is likely to buy more than one machine in his riding career and that he will save because of the "engine only" trade-in. He is adamant, however, that a breakthrough into volumes much over 5,000 will start to see a price gap open up.

With the investment in tooling already made out of other reserves, and no on-cost for assembly facilities, it is argued that there should be no insurmountable difficulties in covering start-up costs until cash starts flowing. Costs will be met out of group earnings and overdraft facilities in exactly the same manner as the group has financed its expansion since Sheerin and his partner and marketing director, James Neville O'Brien, took over the original Waddon group in 1975.

Then, it had a turnover of £272,000. It was bought by Sheerin and O'Brien for *£120,000 and has grown into six* separate companies. One, Aircraft Unit Engineering, makes the stall-warning "stick-shaker" device fitted into most UK private and commercial aircraft.

Even at the 5,000 a year production level, it is clear that the project is an ambitious one. Sheerin is perhaps too dismissive of the problems that may be faced in setting up an adequate dealer network. Within the next three or four months Waddon plans an advertising campaign to lure as many as possible of the existing 1,800 dealers of motorcycles in the UK. Quite apart from the problems of drawing in those currently tied to one make, an entirely new product from a hitherto little known company inevitably encounters a large dose of scepticism.

Favourable response

And the project is almost certain to stand or fall on establishing an effective parts and service operation — presuming the potential buyer likes what he is offered in the first place. The rate at which the inquiries book at the show was filling up indicates, however, the initial response is favourable.

Sheerin invokes the hare and tortoise analogy to illustrate Waddon's hopes: with the claimed hiatus in Japanese development, "it will take the Japanese two years to do what we're doing: with luck we'll be able to creep by them."

That presumes that Waddon's assessment of the state of Japanese technology is correct—by no means a unanimous view among the existing industry—and that the path chosen by Waddon is one that Japan might feel it should follow.

Even if the currently tiny British tortoise does get noticed, Waddon risks finding that coming up behind is not a Japanese hare, but a steamroller.

Technical News

EDITED BY ARTHUR BENNETT AND ALAN CANE

U.S. move by French computing group

A NEW threat to Britain's chances of selling its computing expertise in the U.S. emerged this week as the giant French CAP-Sogeti-Gemini services group announced its first acquisition in the U.S.

CAP-Sogeti-Gemini, which turned over FFr 580m (about £55m) last yer, has bought 100 per cent of the Milwaukee-based servies company DASD for an undisclosed sum.

DASD last year turned over U.S.$ 22.5m with profits of U.S.$900,000. It has 500 professional staff and 29 branches spread across the U.S.

CAP-Sogeti-Gemini already has a subsidiary company CAP-Gemini U.S.A. based in Washington, but the DASD takeover is its first significant move into the U.S. market.

According to M. Phillipe Dreyfus, deputy chairman of the CSG group, the DASD deal was attractive because of the geographic distribution of the company's branches. He intends to use these as a base to sell European services in the U.S. especially in the area of telecommunications technology such as viewdata where he believes Europe has a marketing lead.

Moulded blocks and tiles

A LOW-COST method of mass producing concrete building blocks and tiles of "natural stone" appearance, with or without a striated surface, is claimed to have been developed by Vima-Stone International, of Weena, Rotterdam, Netherlands (P.O. Box 29193), which is offering licensing agreements with precast concrete manufacturers.

The essential component in the process is the Vima-Stone patented mould, claimed to produce blocks or tiles from 200 mm to 1,500 mm in thickness, depending on the type of machine used, all in the same mould though in different production cycles.

Differences in thickness can be obtained by a simple adjustment on the mould, which can be carried out by a skilled operator in about 20 minutes. Almost any required pattern or size can be moulded to produce Vima-Stones, the company claims. The only restricting factor is the size of the pallet. The surface patterns produced by the mould are claimed to be easily interchangeable, and no special block-making machinery is required.

Vima-Stone production requires the usual basic materials—cement, fine sand, coarse sand or crushed stone. Angular aggregates are preferable to round aggregates. The use of a coarse or a fine mix will depend on the surface appearance required.

Keeps material flowing

A RANGE of vibratory materials-bin activators known as Matcon (materials control units), designed to solve the irregular flow and cavitation problems found with some other existing mechanical and pneumatic bin discharge devices, has been introduced by Material Control Engineering, Albion Street, Chipping Norton, Oxon (0608 3421).

The units have fully variable control features claimed to be capable of handling materials from the non-flowing or exceptionally cohesive to the free-flowing aerated materials liable to "flush" as readily as liquids, thus meeting the need for an easily regulated flow rate from any size or shape of silo or hopper without the complication of separate valves. The conical vibratory valve is contained within the unit.

Bulk handling industries are finding that the best answer to rising costs is increasing automation. Matcon units are accordingly designed for integration into fully automated *plant*. They are available in sizes ranging from 600 mm to 6 metres, either square or round in section, though for special applications a unit can be made to rectangular shape. Simple flange fixing, without flexible sleeves or suspension rods, is claimed to allow easy integration into existing or new plant.

Intel: banking on its million bit bubble

BY ALAN CANE

USING MICROSCOPIC magnetic bubbles to store information is well past the stage of a laboratory novelty.

The first product containing a "bubble" memory—a computer terminal—was launched by Texas Instruments in 1977.

And now Intel, one of the U.S. pioneers of microelectronics, claims it is ready to produce bubble memories which can store up to 1m (megabit) individual bits of information in volume.

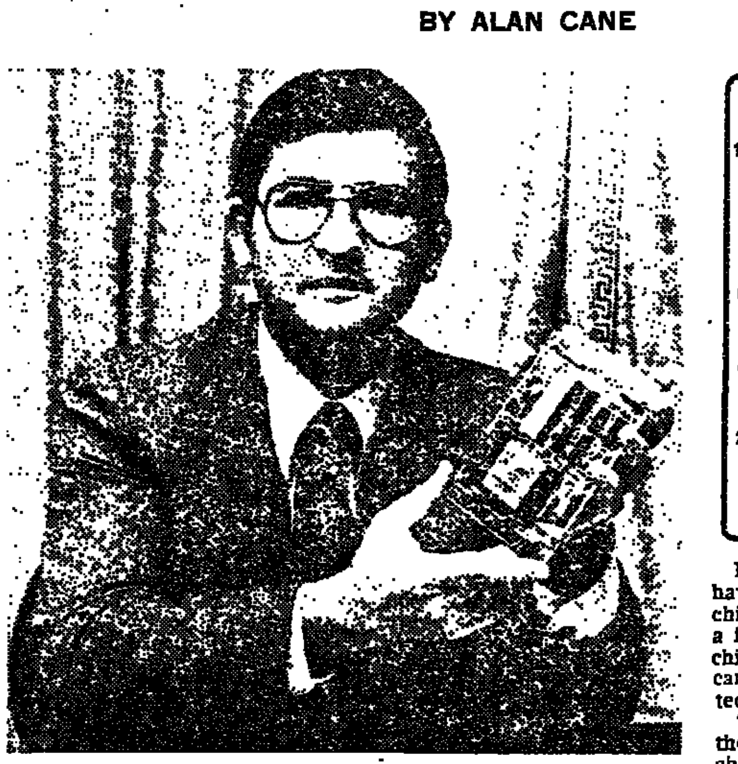
What is perhaps more startling is that Intel is prepared to guarantee its prices two years ahead—and the price in 1982 will be less than a third of what it was in 1980.

The price at that time for the BPK Bubble Memory Kit (the megabit bubble) was US$ 995 for lots of 100 units. Intel says that the price for 5,000-unit lots in August, 1981, will be US$ 595 a unit. By August, 1982, for 25,000-piece orders, the unit price will be US$ 295.

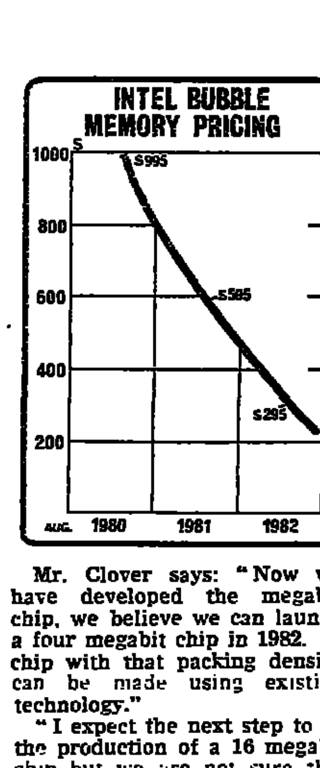
What this means, as a glance at the graph on the right shows, is that bubble memories are starting to follow the same pricing pattern as other forms of electronic memory.

Once the manufacturing technology has been sorted out and volume production established, dramatic changes in the unit price can be achieved.

No manufacturer has found the production of bubble memories an easy task, however. The major U.S. companies include Texas, Rockwell, National Semiconductor and Motorola, none of which has produced a device in volume comparable with the Intel BPK72. Neither has the Japanese Fujitsu or Hitachi.



Dick Clover with the megabit bubble kit. The bubble chip is under the shiny cover; the all-important controller is the white chip above it.



And Intel has had a rough year with its device. Mr. Richard Clover, general manager of Intel Magnetics, is presently on a tour of European countries reassuring customers that the megabit bubble is now performing to specification.

The chief problem is that although bubble memory chips are manufactured in roughly the same way as semiconductor memory chips, the device requires a considerable number of accessory devices — in particular a controller, which is in itself a microprocessor, to enable it to perform useful work.

In Intel's case, the bubble memory chip worked well, but there were delays and problems with the early controllers. A satisfactory controller only became available in October last year, 12 months late.

But now it has a working kit, Intel is moving rapidly to ensure its megabit bubble becomes the de facto industry standard.

Mr. Clover says: "Now we have developed the megabit chip, we believe we can launch a four megabit chip in 1982. A chip with that packing density can be made using existing technology."

"I expect the next step to be the production of a 16 megabit chip but we are not sure that can be created in today's technology. It may be necessary to use X-ray techniques or electron beam lithography to create the necessary density on the chip."

Mr. Clover says: "Bubble memory is suitable for a broad base of applications in industry, armed forces, instrumentation, telecommunications, intelligent terminals and word processing.

"Bubbles provide the non-volatility of EPROMs (electronically programmable read only memories) and the writeability of read and write memory. They provide the mass storage of floppy discs and the reliability and ruggedness of solid state devices."

First applications have therefore been in tough environments.

Examples include memory units in numerically controlled machine tools—used in an environment full of dirt and oil which could easily corrupt floppy discs—and navigation systems for light aircraft.

Intel claims to have sold its device to between 200 and 300 separate companies covering over 100 types of applications.

Nevertheless, bubble memory technology has not really caught the imagination of the marketplace. Research and development has been going on for more tha 10 years, yet Intel formed its Magnetics division only two years ago.

He says: "The basic problem is that the suppliers as a group have not really finalised the product in a way which appeals to the customer. It has to be easy to use and the suppliers have done a very poor job on this."

He believes the market will expand rapidly with declining cost so the total annual market will be U.S.$400-800m by 1985.

Intel's claimed success with its megabit bubble should give it a sizeable chunk of that market—whether it can also claim an industry standard will depend on how quickly the TI's and Motorola's can catch up.

NEWS IN BRIEF

WEIGHING

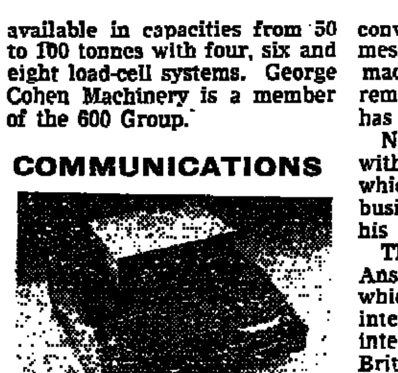
A DIGITAL electronic conversion system designed to allow the users of mechanical scales to benefit from the accuracy of electronic weighing without buying a new machine is now being marketed by George Cohen Machinery, 23 Sunbeam Road, London NW10 (01-965 6588).

The system, named the Weytronic, uses a single load-cell placed at the end of the transfer lever of the scale. It converts the mechanical pull into an electronic signal and the exact weight is displayed in a digital read-out.

The indicator is a multi-function unit supplied fully interfaced for the immediate or future installation of a data printer, and if required it can be located away from the scale.

Weytronic 2920 Series digital electronic weighbridges are also available in capacities from 50 to 100 tonnes with four, six and eight load-cell systems. George Cohen Machinery is a member of the 600 Group.

COMMUNICATIONS



IT IS now fairly common for a telephone answering machine to have remote interrogation facilities: as incoming messages are recorded on the machine it is possible at any time to telephone the unit and find out what is on the tape.

But there is an irritating inconvenience in this—if the message on the answering machine tape is urgent, the remote owner of the machine has no means of knowing.

Now, Ansafone has come up with an "auto dialler interface" which makes it possible for the business man to be contacted by his machine.

The system consists of an Ansafone 7P or 600 (both of which incorporate remote interrogation facilities) with an interface box linking to a British Telecom Mono Callmaker.

On each *occasion that* the machine records a message from a caller the interface will trigger the callmaker to ring a pre-set telephone number which could, if desired, be a radio paging number. The interface sits on top of the answering machine and is connected by a cable. Ansafone is on Camberley 63411.

PURGES PLANT

LIQUID nitrogen purging units are being offered by Cryo-Service of Barnsley, South Yorkshire.

Purging by high-purity nitrogen, which is inert and free from oxygen and moisture, helps to overcome problems related to chemical changes and contamination in processing plant. It also contributes to safer working conditions during maintenance work on pipelines and storage tanks.

Available as portable and semi-portable equipment, the four models available are a palletised unit comprising four liquid cylinders, a medium pressure skid-mounted unit, a 2,225-litre demountable tank unit (53,000 cubic feet capacity) and a 500-litre trailer system. The trailer system is self-contained with a built-in propane heated vaporiser.

Exciting work at the Bank

BY DAVID MARSH

Dear Paul,

Well! what a week it's been. At the Federal Reserve, you've always been more flamboyant than we more reticent types in Threadneedle Street — giving details of your foreign exchange intervention is always, I think, somewhat beyond the pale—and so I suppose you're used to a bit of ballyhoo.

Over here, though, I can't think of any event that has generated so much excitement—it's as if the secondary banking crisis and the sterling balances agreements, plus one of those rather extraordinary binges you Americans occasionally throw for visiting central bankers, had all been rolled into one.

I am referring, of course, to our part in the affair over your hostages. My deputy, Kit, has come out of it all rather well—of course I'd have been over there myself in Algiers like a shot were it not for my previous appointment to play a key intermediary role in talks about risk-taking with Edinburgh bankers.

Dagger

My only qualm about Kit's little episode is the way he has taken to wandering around the Bank with a rather vicious looking golden dagger tucked into his waistband, shouting instructions in Arabic which our doormen have some difficulty in understanding.

Mind you, the Bank on the whole has done quite nicely out of all the favourable publicity—"men of steel," "the Bank for all seasons," "cool heads in tight corner" and so on—which has been transmitted to all corners of the world by the rather odd collection of TV men and journalists besieging the place.

Takes some of the heat out of the continuing row over the money supply, I don't mind telling you. We even had Mrs. T. on the line the other day waxing on quite lyrically about the holiday resorts of North Africa—why don't I take a long winter break? she wanted to know—and asking whether these new escrow accounts would be any use in controlling sterling M3.

Mind you, the affair hasn't only had its plus points. My Press officers have become quite weary of telling some of the more popular newspapers that our competence in unblocking frozen assets does not extend to giving advice on recovering money from pawnbrokers or starting claims against the Inland Revenue.

There has also been a rather unhealthy upsurge in interest in all that gold we're storing for the Iranians—by the way, thanks for the coded New Year message you sent in the telex over the assets transfer.

We've had one or two inquiries on the bullion reserves from callers with decidedly East End accents which we have decided despite our customary discretion in such matters, to refer to Scotland Yard.

To cap it all, there's been fresh trouble with the Treasury. It started when I passed on the comment from a Bank Markazi official that the reason why they trusted us was because we seemed to be run by a monetarist theocracy. Then I simply made the innocent remark that the Treasury chaps might like to tie yellow ribbons around the trees in Whitehall in the hope that public sector borrowing might eventually come down. It all ended with some unpleasant comments about what they would like to do with their index-linked instruments.

Fireworks

By the way, Paul—I hope you don't mind my bringing this up—we are all a bit bothered about the effect the new Administration may have on your style as a practising central banker. Down at the Bundesbank I hear they're particularly worried about rumours that the dollar/D-Mark rate is to be flashed up in the sky through a nightly display of fireworks over the U.S. embassy in Bonn.

I can't say myself that I like the suggestion that you will be turning up at central bankers' meetings in some silly red white and blue get-up—nor that Frank Sinatra and Ethel Merman are apparently going to be voted on to the board of the Bank for International Settlements. Is it not time for common sense to prevail?

Yours sincerely,

Gordon

A flying start, thanks to the task force

AROUND BRITAIN

CLYDEBANK

THERE WAS a time when the name Clydebank was synonymous around the world with ships and sewing machines. From John Brown's yards came the two great Queens, Mary and Elizabeth, before the last war and their successor, the QE II, after it. And the giant Singer company, which arrived in late Victorian times, at its peak provided work for 18,000 people.

But all that is in the past. Clydebank is now a quiet place. Where there was once three-shift working around the clock in the shipyards there is now little evidence of the hustle and bustle that goes with building giant sea-going vessels.

The Singer plant is empty, inhabited only by the security men and a couple of small concerns. Unemployment is high in the area, at least 20 per cent, and there is a general air of dilapidation. The only new building, at first glance, appears to be high-rise flats or the spick-and-span shopping centre.

Clydebank is sometimes thought—usually by people who live outside it—to be part of Glasgow and while it is true that its boundaries are contiguous with those of the city—and it is difficult for a stranger to know where the one ends and the other starts—it is in fact a district council in its own right.

The town now has just two major employers—John Brown Engineering, which still has about 1,600 on its payroll, and UIE, the French company which took over the Marathon yard and which has about 750 employees. In its short life UIE has won two orders and has two more likely to come about. The next company, producing lingerie, only has around 100 staff.

Partly as a consequence of the run-down of industry the town has suffered severely from urban decay. It was to do something about this decay as well as to rejuvenate industry that Clydebank was selected as the Scottish site for an enterprise zone.

Enterprise zones were unveiled last March by Sir Geoffrey Howe in his Budget. The intention was to create areas, of around 500 to 600 acres, in which for ten years planning regulations would be kept to a minimum, development land tax abolished, rates eliminated and 100 per cent capital allowances given for commercial and industrial building. Offered these carrots, it was hoped private capital would flood in and so provide jobs and bring about an industrial facelift to the chosen area.

The actual outline of the enterprise zone in Clydebank has not yet been agreed with the Government and the necessary formalities, which will take five or six month, will have to be completed. But the indications are that the zone will comprise a long strip of just under 700 acres along the north bank of the Clyde, of which about 100 will actually be in Glasgow. (Enterprise zones do not have to be completely within the boundaries of a single local authority: Salford/Trafford and Newcastle/Gateshead are examples of zones in two council areas).

The proposal at the moment is that UIE would be excluded from the zone along with Ministry of Defence land but all the 86-acre Singer site would be included. Also included would be the Riverside industrial estate and the Dalmuir industrial estate. However, Clydebank Council wants the MoD site, the UIE dock and the shopping centre included.

Singer is the key to all this. On paper the 86 acres looks a developer's dream, but things are seldom what they seem. The huge plant still occupies much of the site and there will have to be a lot of demolition work undertaken before a developer can move in.

The bulldozers will probably move in around March and it is hoped that they will have completed their work by the autumn. About one quarter of the area of the sewing machine works will, however, remain and be adapted for small-to-medium-sized concerns.

One single-storey building on the site of 19,000 sq ft, for instance, has already been sub-divided into six units ranging from 2,000 to 4,000 sq ft each. And a two-storey former office block of 39,000 sq ft is available whole or in parts. In addition, there are plots available for redevelopment now.

Outside the Singer walls there are blocks available now on the Dalmuir estate, the Riverside industrial estate and on the Sawmill Sidings. There are also nicely-sized plots, of 8.3 acres, on the quayside of the Rothesay dock and nine acres on the old power station site at Yoker, part of the zone which happens to be in Glasgow rather than Clydebank.

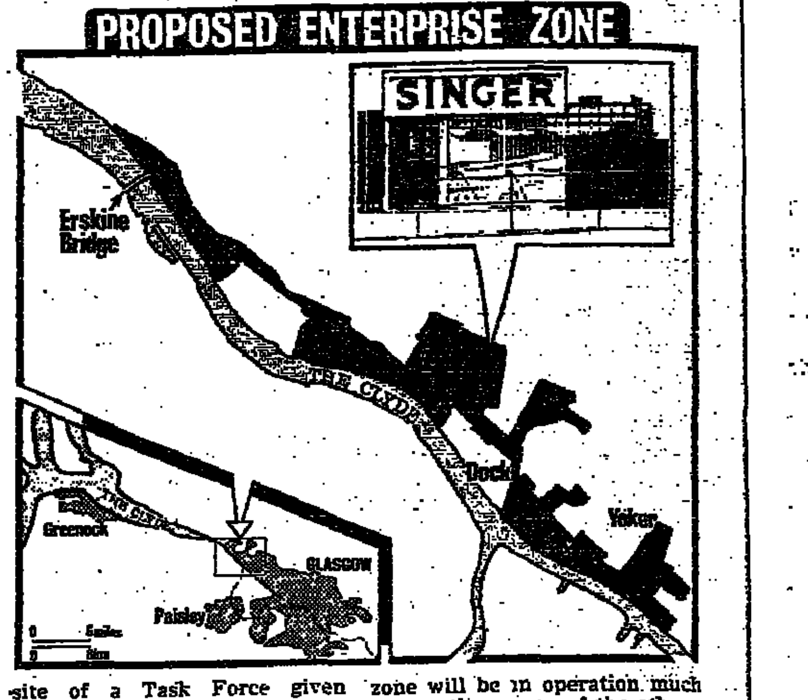
This particular enterprise zone has two other advantages. Clydebank is designated as a special development area and so qualifies for 22 per cent grants on new capital and plant.

The second advantage is unique among the nine zones proposed in Britain. Even before designation as an enterprise zone Clydebank was the site of a Task Force given specific powers to rejuvenate the industrial, commercial and residential life of the inner borough.

The Task Force, an arm of the Scottish Development Agency, has been operating in Clydebank under Stuart Gulliver for 10 months. When the enterprise zone was announced it was immediately taken under the wing of the Task Force. Consequently, the Clydebank zone will be in operation much sooner than some of the others.

Since being set up, the Task Force has seen 11 companies move in to Clydebank with another two on the point of doing so. In addition seven more have formally applied for properties and some 200 have made inquiries. This is a flying start for any zone to work from.

Anthony Moreton



Mrs. Pitman promises 23rd win

RACING

BY DOMINIC WIGAN

MRS. JENNY PITMAN, who is responsible for three Grand National entries — Artistic Prince, Lord Gulliver and Bueche Giorod—can take her winnings for the season to nearly £50,000 at Kempton today.

Mrs. Pitman, whose 22 winners so far this term already constitute a record for a woman trainer in this country, will clearly be disappointed if Fort Belvedere fails to give weight and a beating to his rivals in the Royal Mail Novices' Handicap Hurdle.

Judged on his recent running in the Philip Cornes Qualifier at Worcester on January 3, Fort Belvedere is sure to make a bold bid to follow up stable companion Corbiere's victory of a year ago. Although he was slowly away on the Midlands track, Fort Belvedere threaded his way through the field to such effect from the half-way point that he had taken up the running by the penultimate flight.

A reproduction of that running should see the six-year-old—whose rider Brian Stuart also rode Corbiere—proving too strong for New Lyric.

The Queen Mother's Special Cargo almost invariably puts his best foot forward at Kempton and it seems probable that he will prove capable of conceding 5 lb to the less experienced ex-Irish seven-year-old, Laurence Rambler, in the second division of the Sunbury Novices' Chase. Later in the afternoon Sharp Deal, a highly promising recruit to the Winter game, is preferred to Princeton in the Walton Novices' Hurdle.

Rules governing the raising of weights at the overnight declaration stage of flat race handicaps with a guaranteed value of £5,000 or more are to be introduced from the start of the 1981 season.

The raising of weights at the overnight stage is to counteract manipulations by trainers declaring top weights at the four-day stage when they have no intention of running, thus compressing the lower weights and nullifying the work of the handicapper.

KEMPTON

1.30—Special Cargo**
2.00—Bee Sting
2.30—Tommy Joe
3.00—Plastic Cup
3.30—Fort Belvedere
4.00—Sharp Deal***

CATTERICK

1.45—Cashea
2.45—Go Wimpy*

† Indicates programme in black and white

BBC 1

9.05 am For Schools, Colleges. 11.25 You and Me. 11.40 For Schools, Colleges. 12.42 pm Regional News for England (except London). 12.45 News. 1.00 Pebble Mill at One. 1.45 How Do You Do. 2.02 For Schools, Colleges. 3.20 Croesi'r Ffin. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Laurel and Hardy in "Slipper Slip Up." 4.25 Jackanory. 4.40 Think Again. 5.05 Grange Hill. 5.35 Ivor the Engine.

5.40 News.
5.55 Nationwide (London and South East only).
6.20 Nationwide.
6.45 Sportswide.
7.00 The Superstars.
8.00 The Walls of Jericho.
8.50 Points of View.
9.00 News.
9.25 Starsky and Hutch.
10.15 Peter Skellern (London and South East only).
10.45 News Headlines.
10.50 Royal Heritage.
†11.50 The Late Film: "Compulsion," starring Orson Welles.

All Regions as BBC-1 except as follows:

BBC Cymru/Wales—1.45 pm O Dan y Mor. 2.02-2.22 I Ysgolion. 4.40 Fred Basset. 4.45-5.05 Siams Sionc. 5.55-6.20 Wales Today. 7.00 Heddiw. 7.30 Eira Ddoe. 8.00 Tomorrow's World. 8.25-8.50 Triangle. 10.15 Music Makers. 10.55 Regional News. 10.56 Royal Heritage. †11.55-1.20 am The Late Film: "Vice Squad," starring Edward G. Robinson.

Scotland — 11.00-11.20 am For Schools. 12.40-12.45 pm The Scottish News. 5.55-6.20 Reporting Scotland. 10.15 The Evergreen Years. 10.45-10.50 News for Scotland.

Northern Ireland—3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 10.15 Spotlight. 10.45-10.50 News for Northern Ireland.

England — 5.55-6.20 pm Look East (Norwich): Look North (Leeds): Look North (Newcastle): Look North West (Manchester): Midlands Today (Birmingham): Points West (Bristol): South Today (Southampton): Spotlight South West (Plymouth). 10.15-10.45 East (Norwich)—Weekend: Midlands (Birmingham) — Midlands Tonight: North (Leeds)—Politics North. North East (Newcastle)—Coast to Coast: North West (Manchester) — Home Ground: "A Buyers' Market?": South (Southampton) — The Pacemakers: South West (Plymouth) —Hope Bourne: West (Bristol) City Farm.

BBC 2

11.00 a.m. Play School (as BBC-1 3.55 pm).
†5.40 Laurel and Hardy in "Dirty Work."
6.00 Monkey.
6.45 Speak For Yourself.
7.10 Mid-Evening News.
7.20 Oxford Road Show.
7.55 In The Country.
8.25 Whose Labour Party?
9.00 Playhouse: "The Kindness of Mrs. Radcliffe," by Noel Coward.
9.50 Juan Carlos King of Spain.
10.45 Newsnight.

LONDON

9.30 am Schools Programmes. 12.00 The Magic Ball. 12.10 pm Once Upon a Time. 12.30 A Better Read. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 Together. 2.00 After Noon Plus. 2.45 Friday Matinee: "Hurricane." 4.15 Dr Snuggles. 4.20 The Adventures of Black Beauty. 4.45 Animals in Action. 5.15 Clapperboard.

5.45 News.
6.00 Thames News.
6.30 Thames Sport.
7.00 "The Biggest Bank Robbery," starring David Niven.
9.00 Second Chance.
10.00 News.
10.30 Benson.
11.00 The London Programme (Wisley Affair).
11.35 Mannix.
12.30 am Close: Personal choice with Christine Smith.

All IBA Regions as London, except at the following times:

ANGLIA

1.20 pm Anglia News. 2.00 Houseparty. 2.25 Friday Film Matinee: "House of Secrets." 6.00 About Anglia. 10.30 7 Days. 11.00 Soap. †11.30 Friday Late Film: "Panic In The Streets." 1.15 am At The End Of The Day.

ATV

1.20 pm ATV News. 2.45 The Housewife. 2.55 Movie Matinee: "How To Break Up A Happy Divorce." 6.00 ATV Today. 10.30 Soap. 11.00 ATV News. 11.05 Frank Sinatra: A Tribute.

BORDER

1.20 pm Border News. 2.45 Friday Matinee: "Tell Me My Name." 6.00 Lookaround Friday. 6.30 Survival. 10.30 Wintersport. 11.00 Quincy. 11.55 Border News Summary.

CHANNEL

1.20 pm Channel Lunchtime News, What's On Where and Weather. 2.45 The Friday Matinee: Miss Sadie Thompson." 6.00 Channel Report. 6.30 Encore. 6.55 What's On Where. 10.28 Channel Late News. 10.36 Soap. 11.05 SWAT. 12.00 News and Weather in French.

GRAMPIAN

9.25 am First Thing. 1.20 pm North News. 2.45 Friday Matinee: "A Summer Without Boys." 6.00 North Tonight including Sportscall. 10.30 Reflections. 10.35 Police Story. 12.15 am Seachd Laithean—review in Gaelic of the week's news from Scotland. 12.30 North Headlines and Road Report.

GRANADA

1.20 pm Granada Reports. 2.00 Live From Two. 2.50 "The Daughters of Joshua Cabe Return." 6.00 Granada Reports. 6.30 Kick Off. 10.30 A West on Friday. 11.00 After All That, This. 11.10 Film of the Book: Gina Lollobrigida and Sean Connery in "Woman of Straw."

HTV

1.20 pm HTV News. 2.00 Houseparty. †2.25 The Friday Matinee: "Knock On Any Door," starring Humphrey Bogart. 5.20 Crossroads. 6.00 Report West. 6.30 WKRP in Cincinnati. 10.28 HTV News. 10.35 Report Extra. 11.05 Soap. 11.35 Charlie's Angels.

HTV Cymru/Wales—As HTV West except: 9.35-9.50 am Am Gymru. 12.00-12.10 pm Ffalabalam. 4.15-4.45 Y Rheinoseros A Ffrwydrodd. 5.15-5.20 Corny Concerto. 6.00 Y Dydd. 6.15-6.30 Report Wales. 10.35-11.05 Outlook.

SCOTTISH

1.20 pm News Headlines and Road and Weather Report. †2.45 Friday Matinee: "Convicted," starring Glenn Ford, Broderick Crawford and Dorothy Malone. 5.20 Crossroads. 6.00 Scotland Today. 6.25 Sports Extra. 6.45 Hear Here. 10.30 Ways and Means. 11.00 Late Call. †11.05 Movies Through Midnight: "Night And The City," starring Richard Widmark.

SOUTHERN

1.20 pm Southern News. 2.00 Houseparty. 2.25 "Bedtime Story," starring Marlon Brando. 5.20 Crossroads. 6.00 Day by Day. 6.00 Scene South East (South East Area only). 6.30 Out Of Town. 10.35 The Last Hastings Lugger? 11.05 Benson. 11.35 The Late, Late Show: "Ferdinand The Strong."

TYNE TEES

9.20 am The Good Word. 9.25 North East News. 1.20 pm North East News and Lookaround. 2.45 Friday Matinee: "Sabotage." 6.00 North East News. 6.02 Sportstime. 6.30 Northern Life. 10.30 North East News. 10.32 Quincy. 11.30 Music Special. 12.30 am Countryside Christian.

ULSTER

1.20 pm Lunchtime. 2.45 Friday Matinee: "Tell Me My Name." 4.13 Ulster News. 5.20 Crossroads. 6.00 Good Evening Ulster. 10.29 Ulster Weather. 10.30 Witness. 10.35 Sportscast. 11.05 Benson. 11.35 Bedtime.

WESTWARD

1.20 pm Westward News Headlines. 2.45 The Friday Matinee, "Miss Sadie Thompson," starring Rita Hayworth and Jose Ferrer. 4.12 Gus Honeybun's Birthdays. 6.00 Westward Diary. 10.32 Westward Late News. 10.36 Soap. 11.05 SWAT. 12.00 Faith for Life. 12.05 am West Country Weather and Shipping Forecast.

YORKSHIRE

1.20 pm Calendar News. 2.45 Friday Film Matinee: "Tell Me My Name." 6.00 Calendar (Emley Moor and Belmont editions). 6.30 Calendar Sport. 10.30 Soap. 11.00 Pro-Celebrity Snooker. 11.45 Lou Grant.

Radio Wavelengths

1	1053kHz/285m, 1089kHz/275m	
2	693kHz/433m, 909kHz/330m & 88-91vhf stereo	
3	1215kHz/247m & 90-92.5vhf stereo	
4	200kHz/1500m & 92-95vhf	
BBC Radio London	1458kHz, 206m & 94.9vhf	
Capital Radio	1548kHz, 194m & 95.8vhf	
London Broadcasting	1151kHz, 261m & 97.3vhf	

RADIO 1

(S) Stereophonic broadcast
‡Medium wave

5.00 am As Radio 2. 7.00 Mike Read. 9.00 Simon Bates. 11.00 Andy Peebles. 12.30 pm Newsbeat. 12.45 Paul Burnett. 2.32 Dave Lee Travis. 4.32 Peter Powell. 5.30 Newsbeat. 5.45 Roundtable. 7.31 Anne Nightingale. 12.02-12.00 The Friday Rock Show (S).

RADIO 2

5.00 am News Summary. 5.03 Ray Moore (S). 7.32 Terry Wogan (S). 10.03 Jimmy Young (S). 12.03 pm David Hamilton (S). 2.03 Ed Stewart's Request Show (S). 4.03 Much More Music with Steve Symonds (S). 6.03 John Dunn (S). 8.02 Radio 2 Ballroom (S). 8.45 Friday Night Is Music Night (S). 10.02 Listen To Les. 10.30 The Organist Entertains. 11.02 Brian Matthew with Round Midnight, including 12.00 News. 2.02-5.00 am You And The Night And The Music (S).

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Dowland (S). 9.40 Orford String Quartet Recital, part 1 (S). 10.20 Interval Reading. 10.30 Recital, part 2. 11.15 Jane Manning song recital (S). 12.20 pm Midday Concert part 1 (S). 1.00 News. 1.05 Midday Concert part 2 (S). 1.45 What The Critics Said. 2.35 De Volhunting (S). 3.25 Mozart (S). 3.55 Cecil Thorpe Davie (S). 4.25 Friday Afternoons (S). 4.55 News. 5.00 Mainly for Pleasure (S). 6.55 Play It Again (S). 7.00 Bruckner (S). 8.10 One Pair of Ears. 8.25 Hildegard of Bingen (S). 9.00 Music In Our Time (S). 10.00 Interpretations on Record (S). 11.00 News. 11.05-11.15 Renaissance Dance Music (S).

VHF only—Open University: 11.15 pm-12.15 am.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today including 6.45 Prayer for the Day; 7.00, 8.00 Today's News; 7.30, 8.30 News Headlines; 7.45 Thought for the Day. 8.35 Yesterday in Parliament. 9.00 News. 9.05 Desert Island Discs (Princess Margaret) (S). 9.45 Feedback. 10.00 News. 10.02 International Assignment. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 The Crash of Rolls-Royce. 11.50 Natural Selection. 12.00 News. 12.02 pm You And Yours. 12.27 My Music (S). 12.55 Weather, Programme News. 1.00 The World At One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Afternoon Theatre. 4.05 Weigh-In. 4.15 Poetry Up To Now. 4.45 Story Time. 5.00 PM: News magazine. 5.50 Shipping Forecast. 5.55 Weather, programme news. 6.00 News. 6.30 Going Places. 7.00 News. 7.05 The Archers. 7.20 Pick Of The Week (S). 8.10 Profile. 8.30 Any Questions? 9.15 Letter From America. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.35 Week Ending (S). 11.00 A Book At Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 11.45 John Ebdon explores the BBC Sound Archives. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 10.03 The Clive Jenkins Telephone Programme. 1.03 pm London Live. 4.30 London News Desk. 5.35 Music On The Move. 7.03 Black Londoners. 8.00-5.00 am Join Radio 2.

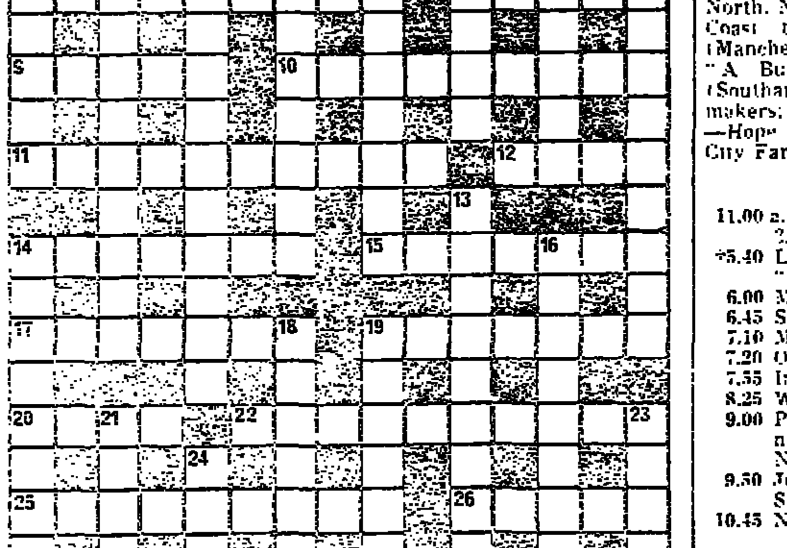
London Broadcasting

6.00 am AM—Bob Holness and Douglas Cameron. 10.00 Brian Hayes. 12.00 LBC Reports. 7.00 pm London Life. 9.00 Nightline. 12.00 LBC Reports Midnight. 12.30 am Decision Makers. 1.00 am Night Extra. 4.00 London Rules. 4.30 City Week. 5.00 Morning Music.

Capital Radio

6.30 am Mike Smith's Breakfast Show. 10.00 Michael Aspel. 12.30 pm Graham Dene. 1.00 First Report. 1.10 Graham Dene (continued). 3.00 Roger Scott. 7.00 London Tonight. 9.00 Nicky Horne. 11.00 Greg Edwards. 12.00 Richard Allinson's After Midnight.

F.T. CROSSWORD PUZZLE No. 4,476



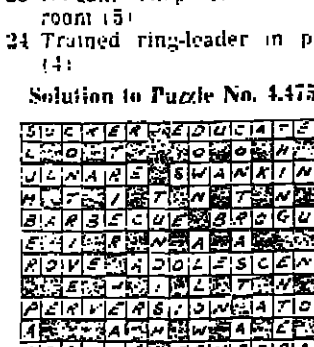
ACROSS

1 Cutting ditch with worker (9)
6 Caught girl in form (5)
9 Twig it could be intelligence he follows (5)
10 Soldier getting upset near ridge (9)
11 Spoken in death to throw into confusion (10)
12 Look both ways (4)
14 Fish left in hat . . . (7)
15 . . . and type of fish drinker left inside (7)
17 Explain an improvement in the weather (5, 2)
19 Portion of class I take on (7)
20 Record and listen to telephone conversation on end of line (4)
22 Open circus redesigned by Russian astronomer (10)
25 Capable of imbibing but not present around ball (9)
26 Send down reject (5)
27 Want audibly to massage (5)
28 Cat held on unusually in Olympic event (9)

DOWN

1 Pulled to get married (5)
2 Without time, soldiers follow on the spur of the moment (9)
3 Exonerates Conservative in part of church (5-5)
4 Bony and lean but having a corner (7)
5 Locks to be found in fortresses (7)
6 A sore fellow (4)
7 Wait for a bid before end of sale (5)
8 Fight over club giving material for melting down (5-4)
13 Dissatisfied with record on canvas (10)
14 Retrace one's steps and bet on racecourse (9)
16 Chief source we hear (9)
18 Hold out soft rubbish before the finish (7)
19 One who does not believe start of contamination in diseased (7)
21 Stick note in the head (5)
23 Elegant shop or drawing-room (5)
24 Trained ring-leader in pint (4)

Solution to Puzzle No. 4,475



ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. ENGLISH NATIONAL OPERA.

COVENT GARDEN. THE ROYAL BALLET.

SADLER'S WELLS THEATRE.

THEATRES

ADELPHI. ALBERY. ALDWYCH. AMBASSADORS. APOLLO. CAMBRIDGE. COMEDY. CRITERION. DUKE OF YORK'S. GARRICK. GLOBE. GREENWICH. HAYMARKET. HER MAJESTY'S.

THEATRES

KINGS HEAD. LYRIC. NATIONAL THEATRE. OLD VIC. PALACE. PALLADIUM. PHOENIX. PICCADILLY. PRINCE EDWARD. PRINCE OF WALES. QUEEN'S. RAYMOND REVUEBAR. ROYAL COURT. SAVOY. SHAFTESBURY. ST. MARTIN'S. STRAND. STRATFORD-UPON-AVON. TALK OF THE TOWN. VAUDEVILLE.

THEATRES

VICTORIA PALACE. WAREHOUSE. WESTMINSTER THEATRE. WHITEHALL THEATRE. WINDMILL. WYNDHAM'S. YOUNG VIC.

CINEMAS

ABC 1 & 2, SHAFTESBURY AVE. CLASSIC. CURZON. ODEON HAYMARKET. ODEON LEICESTER SQUARE. ODEON MARBLE ARCH. PRINCE CHARLES. STUDIO.

ART GALLERIES

THE ARTS

Cinema

None better than Bette

by NIGEL ANDREWS

Divine Madness (AA) Warner West End
Willie and Phil (X) Gate 3 Camden Town and Ritz
Atlantic City (AA) Curzon
The Baltimore Bullet (AA) Empire
The Exterminator (X) Classic Haymarket and elsewhere

Miss Bette Midler appears in the least cinematic film of the week. No chases up multi-storey car parks in *Divine Madness*, no helicopter shots of bristling cityscapes, no apple-carts upset by runaway vehicles. The only apple-cart upset is the audience's sensibility, the only bristling landscape on view is Miss Midler's fright-blonde hair, and the only multi-storey structure, capacious enough perhaps for a car or two, is Miss Midler's bosom.

But who could complain that they are sold short? This record of a live concert by America's most rabid singer-comedienne is brilliantly shot and scissored together by director Michael Ritchie (of *Smile* and *Semi-Tough*), and as our lewd, delicious, glitter-dressed goddess prances under the spotlights the screen (and the Dolby soundtrack) shakes with a parody of glamour so glamorous in itself that its like watching a cartoon and a great painting two-stepping side by side.

Miss M first comes on dressed as a Hawaiian salad on a carnival float, with a plucked chicken dangling from her wrist in place of a handbag, and thereafter anything goes. Sometimes she'll stand stock still and sing a softly beautiful love song. Sometimes she'll career about the stage in impropria persona (as Dolores Del Lago, "the toast of Chicago," complete with a wheel-chair and a portable palm-tree). Sometimes she'll shake her gaudy locks in a burlesque dance number. And sometimes she'll deliver stand-up patter about anything from sex, to middle-age spread, to the British Royal Family.

Much of the film is Midler at full volume and Midler in full close-up. But ever since Hitchcock had his characters clambering over the rock features of a Mount Rushmore president in *North by Northwest*, it has been clear that the human face can be just as screen-filling a landscape as Monument Valley or the Grand Canyon. In *Divine Madness* the explorations are inexhaustible. Miss Midler's face seems now like a ravaged mountain-range, now like a soft-lit Statue of Liberty, now like a crazy-mirror version of Barbra Streisand. Always the tiny eyes give out a megawatt brightness, the voice hums with innuendo, and the big teeth in that raunchy smile flash as if screen-testing for *Jaws 3*.

In a film 93 minutes long there is only one sequence in which delight droops: a whimsical song-and-charade number in which Miss Midler dons rainbow-hued rags and an umbrella and sits on a parkbench singing a soulful song and feeding imaginary pigeons. It's as if Mary Poppins had stepped into a Brecht-Weill musical, and though we can take Midler singing a strong, serious, bitter-sweet song this cap-in-hand pathos is alien corn to her and comes dangerously close to unstitching her credibility. Elsewhere, though, energy and fiery talent thrive and this gaudy goddess, lampooner, singer and mistress-of-all-trades offers the best solo show in town.

*

To judge by the peals of critical dismay dinning across the Atlantic you would suppose that writer-director Paul Mazursky, who takes a serio-comic stethoscope to human emotions in films like *Blume In Love* and *An Unmarried Woman*, has missed the beat — and the boat — in his newest film *Willie and Phil*. "Too long" chorused the reviews; "too shapeless, too undercharacterised." Well, here's the film, unveiled now in London, and on its evidence someone should take a stethoscope to the American critics.

Mazursky's threeway romance between two young Greenwich Village sparks (Michael Ontkean and Ray Sharkey) who strike up a friendship while exiting from an arthouse showing of *Jules et Jim* and the girl (Margot Kidder) who becomes their Jeanne Moreau is as sophisticated, spot-on and sweetly-paced a showdown between the ideal and the real in the world of love as recent movies have produced: a witty, tough, skittish film with a lovely slow-motion comic punch.

Willie and Phil and Jeannette all love each other (strictly platonic between the first two): each man at different times shares his life and his bed with the girl: and yet, snagged by confusions and conventions even in the "Me Decade" of the '70s in which the film is set, they never quite struggle through to the Bohemian ideal of a *menage à trois* which beckons brightly like a distant beacon.

The bugaboos of guilt and propriety, embodied in constant and hilarious harpy-like descents by their parents. ("Maybe God will be merciful and we'll be hit by a truck!" exclaims Phil's Italian mother as she drives to her son's love-nest of unwedded bliss on the Malibu coast), keeps wagging a cosmic finger; and whenever one of the men sets up home with Miss Kidder the other stiffens his upper lip and departs to seek solace in professional or mystic fulfilment: Phil to a movie-producing job in Hollywood, Willie later to soul-searchings in India.

One of the movie's aims is to show that the Sexual Revolution is not a high-revving miracle but a slow-creaking mill-wheel constantly in need of a dab of oil. However eagerly people run towards sexual and emotional freedom they're invariably tripped up *en route* by the caveats of conditioning and upbringing.

"Why is it, whenever I think of my mother, I feel six years old?" says Willie. Ever since Shelley Winters banshee'd her way through *Next Stop Greenwich Villas*, Mazursky's screen mothers have been a joy to behold. Here they come in three different varieties — Jewish (Willie's) Italian (Phil's) and Deep South (Jeannette's). But each one is a well-meaning, "when-are-you-going-to-get-married?" disaster.

Of course mothers aren't wholly to blame. Indeed *no one's* to blame in Mazursky's world of scat and scrambled emotions: where his characters' hopes and dreams soar brightly into the air only to collide with a flock of taboos and social orthodoxies, many of their own imagining.

In *Willie and Phil* Mazursky's actors—from fuzzy-browed Ontkean to skittish Kidder to the superb Ray Starkey, a sharp-nosed go-getter who never quite knows where he's going—bring their director's bewildered world brilliantly to life.

But the real star is Mazursky himself, who never fastens his movies in formula but always, as here, lets the story and characters shape themselves. Tear up all the "no" reviews you read, trust this one, and go and see *Willie and Phil*.

Louis Malle's fascination with *outré* love-liaisons, which gave us mother-son incest in *Le Souffle au Coeur* and paedophilia in *Pretty Baby*, offers us another weird yoking in *Atlantic City*. *Up and down America's most* famous boardwalk we clump as white-haired polygenerian Burt Lancaster—once, he assures us, a kingpin in the Underworld and a friend of Al Capone's—falls in love with young fish-food waitress and aspiring casino croupier Susan Sarandon.

Between sessions of billing and cooing across the oyster counter we and they keep tripping up over the movie's plot, which involves a cache of cocaine palmed off on Mr. Lancaster by Miss Sarandon's hippy husband who is soon being pursued by murderous hoodlums up a multi-storey car park to an elaborate death.

The now-widowed Miss Sarandon loses little time in opening her heart and her bosom to Mr. Lancaster, while M. Malle's elegantly prurient camera looks on *This truly bizarre movie*—part thriller, part love-story, part tourist-brochure tribute to to the crumbly wedding-cake beauty of Atlantic City—never sorts out what its centre is nor its purpose. While the edges crowd up with picturesque silliness (first prize to Michel Piccoli as Miss Sarandon's suave old *roué* of a casino boss, his thick French accent bouillabaissing the dialogue into near incomprehensibility), the central threads of suspense and romance are left dangling in a psychological void.

The motivation is opaque, the characters never come alive, and what remains—like *Pretty Baby* — is an aesthete's film whose lovely window-dressing hides an empty shop.

Last and comprehensively least *The Baltimore Bullet* and *The Exterminator* are a brace of New Year abominations bowling at us from across the Atlantic.

In *The Baltimore Bullet* James Coburn flexes his crooked grin and Omar Sharif his blood-shot eyes in an interminable shaggy-dog story about pool-playing. As sporting comedy-romps go this one stands absolutely still, suggesting an advanced state of rigor mortis

In *The Exterminator* a rough-justice avenger is loose in the New York streets, cutting a merry swathe through such undesirable elements as the Mafia and the street hoodlums who beat up his best friend. Strictly for addicts of multi-coloured mayhem and for those whose day is incomplete without a mincing and decapitation.

Michael Ontkean, Margot Kidder and Ray Sharkey in "Willie and Phil"

Queen's

Moving

by B. A. YOUNG

Two couples are competing to buy Frank and Sarah Gladwin's house. The Bellings are from the pseudo-smart world of commercial recording: the Fearnleys are a quiet domestic couple. The Bellings are prepared to make a cash sale; the Fearnleys rely on the sale of their house to some friends in Skegness, who rely, etc., etc. So Frank, a dentist of impeccably old-fashioned standards, settles with the Bellings, as he has only a few days left to exchange contracts for the new flat into which he himself is moving; and the Bellings' surveyor makes an adverse report, so their offer is reduced by £8,000 and they disappear from the play.

The first act is confined pretty well to presenting the comic-paper side of property-dealing, though it also introduces Sarah's sister, a dotty actress. In the second act we begin an entirely different play centred on the Gladwins' daughter Jane, hitherto unseen, who has just had an abortion and dropped out of college. With her aid, and the relief afforded by a comic decorator who has been calle in to conceal the reported subsidence, the play limps harmlessly on to its predict*able conclusion*.

It seems a pity to have invested so much talent in so slim a vehicle, in which Stanley Price's writing keeps fairly consistently to the level of a half-hour television sitcom series. Sarah is Penelope Keith, no less, and though we may be glad that she is not type-cast, it is sad that she shouldn't get more opportunity to display her talent. Frank is Peter Jeffrey, as convincing a dull suburban dentist as the script calls for. Liz is Barbara Ferris, who indulges in a flurry of farcical display that submerges any personality the author may have written into the part.

I have the prospect before me of moving house at the end of the quarter. I have a dentist's appointment next week. I should have found this parade of familiar difficulties right up my street. But the jokes are too slight, the plot too untidy, the characterisation too superficial, there is too little relationship between the people, too little excitement, too little development.

The competent acting under Robert Chetwin's direction can't offer enough pleasure to keep the interest taut.

Leonard Burt

Penelope Keith and Miranda Richardson

Japan at the RA

The finest display of Japanese works of art of the Edo period (1600-1868) ever seen in the UK will go on show at the Royal Academy on October 24 until February 21, 1982. Called "The Great Japan Exhibition," it is the most expensive to be mounted at the RA, with a budget in excess of £2m, of which £625,000 is underwritten by sponsors, notably Midland Bank International. About 450 exhibits will be on show at any one time. Admission will cost £3.

The exhibition is a big financial gamble for the Royal Academy which ended 1980 with a cash shortfall of £520,000. However, in November 1979 its overdraft was £900,000. This was much reduced by the profit from last year's post-Impressionist exhibition, one of only three shows in the past 20 years to recoup its costs and the running expenses of the Academy. Sir Hugh Casson, the President of the RA, said yesterday that the controversial "*A new spirit in painting*," currently on view, has made a good start, with 10,000 visitors in the first five days.

The other main event of 1981 will be the display of the Leonardo "Leicester Codex" recently sold to Dr. Armand Hammer for £2.2m, beside 50 Leonardo landscapes from the Queen's collection. They will go on show from July.

Wigmore Hall

Lumina

by ANDREW CLEMENTS

Started last year and built on past and present members of the music faculty at York University, the group Lumina is much the brainchild of its director David Blake, to the extent of taking its name from one of his most substantial works. The line up of performers is impressive: Blake conducts and plays piano, the clarinettists are Alan Hacker and Tony Coe, the violin and viola come from the Fitzwilliam Quartet, the cellist is Moray Welsh, the flautist is Elisabeth Parry. The group plays in a forthright, relaxed fashion, if Wednesday's concert at the Wigmore Hall was a fair demonstration of its capabilities.

The programme coupled two works by Berg with two by Blake, *setting them off with* a no-nonsense account of Mozart's D major flute quartet. In both of the Berg pieces Alan Hacker was the focus: expectedly in the Four Pieces for clarinet and piano Op. 5, in which his lean tone (mellower now though, than in those early Pierrot Players days) played down any sensuousness in favour of stark, simple contrasts; more surprisingly in the composer's own arrangement of the Adagio from the Chamber Concerto, where Christopher Rowland's reticent violin made fewer interpretative points than Hacker's touched - in accompanying figures.

David Blake's *Scenes* for solo cello was written for Moray Welsh in 1972. It seems to me one of Blake's most effective instrumental works, consistent of *language*, sure of emotional curve; the transformation from serene, songful Andante through dancing Allegretto to discursive, uncertain variations is carefully calculated. It made telling listening against a new *Capriccio* written by Blake for Lumina and receiving its first London performance in this concert.

Blake's aim was to write a "*divertimento or suite* with none of the movements attempting "symphonic profundity." He has produced two movements which proceed in frieze-like fashion around a central melodic cantilena; each of these "sequenzas" ends in a classical parody, the first a wrong note, Schoenbergian minuet. The second a high-spirited *alla fuga*.

Thorndike, Leatherhead

Tons of Money

by MICHAEL COVENEY

The Ben Travers revival suggests there may be other rich pickings from the same era. But Richard Briers, making his début as a director at Leatherhead, has a hard time breathing life into this, the very first of the Aldwych farces. Written by comedian Will Evans and Valentine (a disquieting pseudonym for Archibald Pechey, lyricist of *Maid of the Mountains*), *Tons of Money* ran at the Aldwych after opening at the Shaftesbury in 1922.

A married couple are living beyond their means in a country house in Marlow. You enter the time warp courtesy of Colin Winslow's half-timbered set and a deferential butler, who enters with a silver salver to pick up the phone. The Allingtons are besieged by bills and relatives. A deaf aunt sits in the corner, but equally threatening is George, the inheriting cousin in distant Mexico. Apparently dead, George is woven into the action long before his third-act appearance, after a misfired explosion results in two George imposters roaming through the house in beards and receiving relieved kisses from a widow, who swears to recognise him *anywhere*.

Only with misinterpreted danger signals flashing across the stage as Allington (Jonathan Cecil) begins to enjoy his role-playing in Madeline Smith's embrace does the farce take off. But, I am afraid, it stutters to a mechanical failure from mid-way in the second act.

Part of the trouble is the script, but Mr. Cecil, one of nature's amiable silly asses, is equally to blame: He goes through the motions as if pre-programmed for farce, not at all alive to the surreal zaniness of this early Ralph Lynn part and insufficiently inventive to make it his own. Most of the good work is provided by Patricia Brake's simpering blonde spouse, but John Gill's eccentric gardener and Leonard Kavanagh's stock butler raise a few smiles.

Something should be done about the clock, stuck at 11.30 at all times of day, and the huge gaps that yawn all over the stage in front of actors too often glued to their chairs.

Covent Garden

Così fan tutte

by DAVID MURRAY

But for Stuart Burrows as Ferrando the current Royal Opera *Così* is manned by a familiar crew. The sense of a domestic charade is rather too overt (though the visual jokes have been trimmed back, I think) when Kiri te Kanawa launched into Fiordiligi's "Per pieta," slowly and commitedly, it suggested not so much a character discovering herself in dismay as a soprano who knows that *this* aria is not to be treated lightly. The manner of John Copley's staging hardly permits more, and Daniela Mazzucato's flambuoyant Despina—pure musical comedy—fixes decisive limits. As she pattered through "Una donna a quindici anni" with a jocular whinge in every line one reflected that she could surely sing it well, away from her audience.

Colin Davis gives a sound account of the score: unremarkable in detail, well-proportioned, the miraculous ensemble-sequences smoothly linked, horns excellently secure in "Per pieta." Agnes Baltsa is as fresh and individual a Dorabella as could be wished; I should love to see her in a less relentlesly frivolous production. In duet she and Miss te Kanawa give much pleasure. Miss te Kanawa is charming as always and in lovely voice (there are clear touches of Schwarzkopf in much of her phrasing), though she sounded of two minds yet about how to deal with the register-leaps of "Come scoglio."

Mr. Burrows' Ferrando, portly and bemused but lively, is stylishly ringing in his arias: good to be reminded what a sterling Mozart tenor he can be. Richard Van Allen is again a suave, slightly effete Don Alfonso, his key place on the edge of the action nicely measured and confidently occupied. There is a bracing suggestion of choleric rage barely bridled in Thomas Allen's Guglielmo, though he offered a melting "Non siate ritrosi." He ought to be awarded his big alternative *buffo* aria—the usual *grounds for doing without it* (too awkwardly long, too ripe for a sketchy character, etc.) have no application in his case: it would crown what he already does to admiration.

Apollo, Victoria

Billy Connolly

by ANTONY THORNCROFT

From being a public disgrace Billy Connolly is rapidly turning into a national institution. Can a Royal Command Performance be long delayed? The transformation can be viewed at leisure at the Apollo for a season since Connolly does not stint with his time.

For well over two hours he performs a comic monologue broken by the occasional song: then, in a cleverly contrived climax, a back cloth rises revealing a band which helps Connolly relive his early musical experiences down at the Palais in Glasgow.

Billy Connolly is plum in the British music hall tradition. He mounts a bravura performance, enveloping the audience in his world (and ours) with genial facility. Of course his notoriety has come from his exploitation of human bodily functions best left undiscussed but it is not *his* scatalogical language that surprise but his heavy emphasis on noises, smells, thoughts forbidden until now to public discussion. Yet he does not really offend. For a start he is truthful and he uses himself as the main example for disparagement.

Connolly is a genuinely funny man with acute powers of observation. He does not need shock tactics when he can so wittily depict American society

Although he is very rude to *groups of people (the inhabitants of Brisbance* come in for the roughest treatment, as does his rival Max Boyce—"He wants to be funny and Welsh—the impossible dream"—Connolly defuses it all by his self-depreciation.

He goes on for much too long: after a bit the heart sinks when another sacred cow comes up for ritual slaughter. But even if some of Connolly's material makes you cringe with its banality, he has little trouble *in making the point that he is* a man of great physical presence, currently at the height of his powers. He is contemporary and traditionalist, unique and universal.

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Fighting from within

THE SPECIAL conference of the Labour Party at Wembley tomorrow is ostensibly about only one issue—the election of a leader by a wider franchise than the present system which gives votes only to Labour MPs. The principle of the reform was already agreed at the annual conference in Blackpool last October. In theory at least, all that remains is to establish a method, though there could be complications.

On the face of it, the idea of the reform is not unattractive. It has already been introduced by other political parties. In Britain the Conservatives at least pay lip-service to the process of consulting opinion beyond that of Tory MPs in the House of Commons. The Liberals are altogether more whole-hearted and without damaging effect. Abroad the West German Social Democrats seem to manage well enough by having a leader of the party in Parliament and another leader of the party as a whole. There is room for argument about how much voting strength should be given to the various components: MPs, trades unions and the constituency parties. But it is not self-evident that the principle of a wider franchise is wrong.

Fundamental

It is clear, however, that something much more fundamental is going on. On the whole, the campaign for changing the method of choosing a leader has been fought over the years by the Left wing of the party. The Left has also fought successfully for the automatic re-selection of MPs—the system whereby a sitting Member must submit himself for re-selection by the constituency General Management Committee before a general election and, at its most extreme, must vote in Parliament as the GMC instructs. It has fought, so far less successfully, for taking away control of what goes into the party manifesto from the parliamentary leader and giving it to the National Executive Committee. In short, what the *Left appears to want is not so* much a change in methods as a change in policies and a change in leaders, though it may be temporarily satisfied with Mr. Michael Foot.

That is why the approach of the Wembley conference has given rise to such heart-searching. If the Left can control the conference and strengthen its hold over the way that the party machine works, it will come much closer to controlling the party as a whole.

Compromise

Dr. David Owen in particular, but also others, have already reacted by saying that what happens tomorrow may help to determine their future political allegiance. They are both right and brave to do so. They are also unlikely to be tempted by Mr. Foot's call for yet more compromises in order to keep the party together. The Labour Party has already compromised too much. Yet there is a world of difference between expressing discontent and seeking reform from within, and breaking away to form a new grouping.

In effect, if Dr. Owen and his colleagues were to dissociate themselves from the party after Wembley, they would have allowed themselves to be driven *out. The official Labour Party* mantle would pass, perhaps irretrievably, to the far left. The parmty ought still to have too broad a base for that to be allowed to happen. After all, moderate left-wing parties still manage to win elections elsewhere. Even in Britain it is not *so long since the country was* tolerably well governed by Mr. Callaghan. The party is still there to be fought for.

Timing

The real question after tomorrow is whether the moderate *members of the Parliamentary* Party, who are still in the majority, can fight back. It may mean seeking to persuade Mr. Foot totally to disregard the views of the National Executive Committee as being irrelevant, even positively dangerous, to the mass of Labour voters. It would certainly mean seeking to strengthen the party organisation in the country by outnumbering the extremists. Yet that could still be an easier and more worthwhile task than starting anew.

The time for a break may yet *come. But first it is worth fighting* from within, and not just on the television platform. The potential Labour defectors may like to recall that there is unlikely to be a general election before 1983 at the earliest. That leaves time enough to go on resisting. Not to do so would be tantamount to admitting defeat before the main battles had been fought.

Monopoly issue at The Times

TWICE BEFORE this century, The Times newspaper has run into grave financial difficulties, to be rescued by the leading newspaper magnate of the era. And twice before, the bid has raised a storm of controversy.

In 1908, Lord Northcliffe was so dubious of public reaction that his offer was made in the *name of "Mr. X"*. In 1966, Lord Thomson's bid aroused widespread suspicions. Even a Monopolies Commission enquiry and Lord Thomson's commitment to the paper's editorial independence did not totally allay them.

Controversy

Fifteen years and £70m of Thomson family money later, enter Mr. Rupert Murdoch. He is just as brash and flamboyant a newspaper owner as Northcliffe, and takes the same delight in buying newspapers and making money out of them as Thomson. Nobody should be surprised that the trails behind him a wake of controversy, nor that he should have emerged as the man who wants to test his financial and newspaper skills on The Times and the Sunday Times.

As a business, Times Newspapers has looked increasingly unsteady in recent years. While the Sunday Times has established itself as Britain's leading weekend newspaper, The Times itself has recently gone into a steep sales decline, and its losses have mounted, while the three Times supplements have hardly set any sparks flying.

The company's management has made a number of costly mistakes, ranging from the decision to move to New Printing House Square to its attempt to force the pace on computer typesetting. The price of that effort was an 11-month shutdown and £40m off the balance-sheet. But more importantly, Times Newspapers' management has, since the end of the stoppage, been unable to manage its industrial relations *in a way that would turn the* group back to profitability, so that even the Sunday Times has looked vulnerable in spite of its dominant market position.

It is this sorry state of affairs — and particularly the state of The Times itself — that makes it possible for the Government to withhold what is normally an automatic reference of newspaper mergers to the Monopolies Commission. Under the Fair Trading Act, the Trade Secretary may refuse a referral only if "the newspaper . . . is not economic as a going concern and as a separate newspaper," and if "the case is one *of urgency." Thomson British* Holdings will presumably argue to the Government that both the individual titles and the newspaper group as a whole fall into these categories.

Newspapers, however, are not normally sold except when they are on the brink of closure. It is clearly the intention of the Fair Trading Act that only in the most exceptional circumstances should newspaper mergers not be referred to the Monopolies Commission.

A merger between News International and Times News*papers would raise issues of con*centration of economic power, whether the two compaines' products were newspapers or widgets. Since they are newspapers, the merger raises a number of other issues besides.

Independence

The most important of these concerns the structure of a free Press in a modern democratic society. Does Britain need nine or 10 national daily newspapers, and can it afford to sustain them? If it does and it can, then does it matter if the same company owns the largest selling daily and Sunday newspapers (the Sun and the News of the World), as well as two of the most influential titles? Is it in the public interest that the owner of the two Times titles should give commitments of *editorial independence to his* editors? If so, is the commitment that Mr. Murdoch has givento the Thomson "vetting committee" sufficient?

It implies no criticism of either Mr. Murdoch or his bid to say that these issues belong *in the public domain, and* should be fully and thoroughly aired before the Murdoch bid goes through. The bid for Times newspapers should be referred to the Monopolies Commission, and the Commission should be asked to prepare its findings as a matter of urgency.

How Murdoch spread his wings

By Richard Lambert in London and Ian Hargreaves in New York

MR. RUPERT MURDOCH is no-one's fairy godmother. He has built a substantial personal fortune on his ability to acquire ailing newspapers and inject new life *into their columns. In doing* so, he has gained the public image of an abrasive and hyperactive newspaper proprieter of the old school, never happier than when running thick red lines through copies of the first edition.

He is also seen as a man who would stop at nothing to sell newspapers. It is a safe bet that Page 3 of the Sun, which introduced nipples to Britain's breakfast tables, is going to feature in innumerable unkind cartoons in the next few days.

But the reality is more compli*cated. For instance, there is* nothing in common between Mr. Murdoch's New York newspaper, the Poset (Wednesday's headline: "Tortured in Iran!") and The Australian, a staid national daily which Murdoch founded 16 years ago and has nursed through a period of consistent losses.

It is true that he has pushed his own opinions on his editorial columns to the point where reporters have publicly complained about slanted coverage. Yet he has also attracted loyal journalists with demonstrable *flair, and has been able to live* with the occasionally anarchic Village Voice, the New York weekly acquired in 1977.

He has publicly stated his contempt for the establishment, but on more than one occasion has seemed keen to join it. *Moreover, it could be that* Mr. Murdoch's greatest talent is not that of a journalist but a financier. To build almost from nothing a broadly-based business empire with annual sales of over A$1bn (£485m) and yet to retain at the same time 43 per cent of the voting shares within his own family interests is an extraordinary business achievement.

His springboard was modest enough. His father, Sir Keith Murdoch, was the salaried chief executive of the Australian Herald and Weekly Times group, which sold him the Adelaide News. That is what Murdoch junior inherited on his father's death in 1952.

Following an education which included Oxford University and a spell as a junior sub-editor on the London Daily Express, Mr. Murdoch tore into the cut-throat world of Australian newspapers like Dennis Lillee on one of his meaner days.

He started on the acquisition trail almost immediately he became a proprietor, buying a Sunday paper in Perth in 1956 and bounding into the hurly-burly of Sydney in 1960. From there, he built up a chain of suburban newspapers across Australia.

But he was still regarded as an upstart when, in 1969 at the age of 38, he burst onto Fleet Street and took control of the News of the World. This was the first of what could now be three occasions on which he has spiked Mr. Robert Maxwell's ambitions of owning a national newspaper. Shortly afterwards, Mr. Murdoch bought the Sun, the tabloid newspaper which was to be run on his Bouverie Street presses.

Fleet Street was taken by storm. A combination of sharply presented stories, racy features and pretty girls took the circulation from less than 1m to more than 3m in four years.

Mr. Murdoch had succeeded in exploiting a weakness in the market-place. The Daily Sketch was dying on its feet, and the Daily Mirror had temporarily lost touch with its readers. He was also helped immeasurably by the concessions he was able *to wring from the print unions* in circumstances where the Sun faced almost certain closure in the absence of his bid.

In particular, he achieved wha has been described as "the near-impossible in persuading the NGA and NATSOPA to agree to new manning levels *in the machine room.*"*

Yet within four years he had quit London for New York, in apparent disgust with the UK in general and Fleet Street in particular. He is said to have been hurt by what he considered to be the hypocritical reaction to his brash newspapers, and frustrated by the industrial quagmire of Fleet Street.

His attempts to get the Newspaper Publishers Association to stand behind him in a row with NATSOPA (the National Society of Operative Printers, Graphical and Media Personnel) met with bitter failure in 1973.

The Sun's visible success made it much harder to control the rigid manning levels on which it had been partly based. As sales shot up it became necessary to negotiate new manning levels in the machine room, for the unions had pre-set limits on how many copies they would produce under each set of agreements. Mr. Murdoch later said that he had mismanaged the early stages of the Sun's expansion. The workforce, rates and conditions began to pile up, and before too long costs were as top-heavy as for most other groups on Fleet Street.

The lessons learnt then must be relevant in the present context. It was one thing to deal with printers in a newspaper that was on its knees: quite another to maintain those tough conditions once prosperity returned.

Since then, Mr. Murdoch's main entrepreneurial activities have been in the U.S. and, increasingly, back home in Australia. But on two other occasions he has attempted to broaden his base on Fleet Street. In 1975, negotiations reached an advanced stage for the acquisition of The Observer.

Although he proposed to introduce his own editor and top management team, he promised to respect its existing character. Then Atlantic Richfield waved its magic wand, and the deal was off.

In 1977 Mr. Murdoch sent word that he was prepared to offer assistance to the ailing Beaverbrook group. Under a deal discussed in outline, he offered to inject £10m of work*ing capital and a new top* management team. Here again, he was pipped at the post, this time by Trafalgar House.

The first Murdoch move into the U.S. was to pay U.S.$32m (about £13.5m) for a sedate evening tabloid in New York, the Post—which he then began to inject with Australian reporting aggression, gossip columns, risqué pictures (though not nudes) and sharp marketing.

The reaction in New York was just as stunned as it had been a few years earlier in London. He achieved notoriety in 1978, when he broke ranks with the managements of the rival Daily News and the New York Times to end a long-drawn-out newspaper strike.

His other U.S. properties include the Star, a down-market weekly tabloid, which hit a winning streak after heavy starting-up costs and five editors. There is also the New York Magazine, a glossy weekly with a strong reputation for *well-informed comment,* the Village Voice a pair of San Antonio papers and some free sheets in Houston.

His reputation in the U.S., though, will be made or lost on the Post. Although sales have grown from about 500,000 to 750,000 a day under his lead, its losses have consistently swamped the profits earned elsewhere in the U.S.

There is no question that Mr. Murdoch plays a much more active role in the commercial and editorial management of his newspapers than a proprietor like Lord Thomson. The Labor Party in Australia has on more than one occasion blamed its defeats in part on the hostility of the Murdoch Press. In 1975, News journalists in Sydney presented a petition to management, alleging "deliberate and careless slanting of headlines, seemingly blatant imbalance in news presentation and political censorship and on occasion, distortion of copy from senior specialist journalists."

The Sun has moved progressively to the right over the last decade, and supported Mrs. Thatcher in the last election. And at a dinner given a few days ago in his honour by top Republicans, Mr. Murdoch was given a plaque which had been sent by a grateful President Reagan.

But again it is possible to over simplify these issues. Journalists in the Australian organisation now say they have a considerable degree of editorial independence, particularly on The Australian.

In the U.S., journalists on the Village Voice waved red rags when they saw Mr. Murdoch coming, but now seem to agree that he has not tried to interfere with editorial judgments on the paper.

Mr. Murdoch is in a strong position to do what he wants with his papers, thanks to his family's 43 per cent interest in what is a well-diversified and financially sound business, despite problems like the Post. The key to his latest move is last summer's reorganisation of News International, the UK-quoted company which was finally swallowed up by the Australian group last summer.

This deal epitomised Mr. Murdoch's financial skills. Always very reluctant to dilute his family's voting control by issuing ordinary shares, he was able to persuade somewhat be*mused UK shareholders* to accept a new class of shares in the enlarged group which carried virtually no votes.

With this financial backing, Mr. Murdoch is now trying for what in money terms could be his biggest challenge yet. His precise plans are not clear yet. But it would be out of character for him not to have strong views about the shape of The Times itself.

* *"Newspapers. The power and the money," by Simon Jenkins. (Faber.)*

THE MURDOCH INTERESTS

CRUDEN INVESTMENTS

A Murdoch family company it owns 43% of:

NEWS CORPORATION

	AUSTRALIA	UNITED KINGDOM	UNITED STATES
NATIONAL NEWSPAPERS	Australian (125,000)	Sun (3.8m) *News of the World (4.4m)*	
REGIONAL NEWSPAPERS	Sydney: Morning Telegraph (315,000) Sunday Telegraph (680,000) Mirror (380,000) Others in Brisbane, Adelaide, Perth and elsewhere	Berrows Organisation	New York Post (640,000) Others in San Antonio and Houston
MAGAZINES	TV Week (510,000) New Idea (510,000)	City Magazines (Antique Collectors Guide, The Trader, Licensed Bookmaker)	Star (3.5m) New York Magazine including Cue (385,000) Village Voice (145,000)
TELEVISION	Sydney — Channel 10 Melbourne — Channel 10 (50% interest through Ansett Transport)	11.8% stake in London Weekend Television	
OTHER INTERESTS	Bay Books Ansett Transport (49.5%) Energy (Santos through Ansett 15% stake)	Townsend Hook (paper) Printing (Bemrose) Transport (Convoys)	New York State Lotto

Source: Annual reports, and Grenfell and Colegrave

MEN AND MATTERS

To Murdoch Times passed—

Rupert Murdoch wasted few words on the press and television crews hastily assembled yesterday to greet him publicly as the bidder for Times Newspapers.

"This new undertaking I regard as the greatest challenge of my life," he announced. But if the 54 union chapels could not agree with him in the next three weeks on tackling it — "I'll be off."

Murdoch's brisk and blunt approach contrasted sharply with the more pedestrian prologues from burly Gordon Brunton, chief executive of Thomson British Holdings, and Sir Denis Hamilton, chairman and editor-in-chief of Times Newspapers.

Brunton led the platform party into the curtained room at the Portman Hotel, through *the glare of floodlamps which* reduced the four chandeliers to little more than flickering candles.

In measured tones, Brunton said that if the deal went through "these great newspapers will not only remain in existence but can also look forward to a secure future."

Against the frantic clicking, whirring and flashing of the cameras, Brunton read a testimonial from Lord Thomson — "there could be a fine new era" — as Murdoch, with a saintly smile, gazed at the ceiling.

Then fidgeting with his pen, taking his glasses on and off, and pouring generous tumblers of iced water, Murdoch sat for more tributes to his eagerness to preserve the newspapers' editorial freedom.

Photographers dropped to their knees as Hamilton spelled out the guarantees to be written into the articles of association if the deal goes through.

"I believe Rupert Murdoch is one of the greatest newspaper executives in the world today," Hamilton intoned. "And I believe that in a tough situation these newspapers are best handled under the influence of a thorough professional."

And so to Murdoch in pin-striped suit and conservative tie. He committed himself shortly to editorial quality and independence. "I am not seeking to acquire these papers in order to change them into something entirely different."

Was he confident of staff co-*operation? "I am an optimist,"* he grinned. But then sternly: "There will certainly be redundancies . . . considerable redundancies are necessary." And he would pay for them.

Success, breathed Murdoch. That was the object. How was it to be attained? "Hard work," he bristled. How? "Work hard," he said.

Editors William Rees-Mogg and Harold Evans were brought to the platform, submerged by a flood of cameramen, and then bobbed up briefly in supportive postures at Murdoch's side.

Murdoch had provided more guarantees — "and we did not have to draw them out of him" —than Astor in 1922 or Thomson in 1966, Rees-Mogg glowed.

Yes, but if Murdoch failed to get his agreement? the pessimists questioned. Brunton shambled to the microphone and barked briefly that the Times publications would them be offered for sale separately.

And if there were no takers? "There will be closure," Brunton said conclusively.

—to Times future

"I've got more moles in this one than you've had hot dinners." Not the everyday argot of the City, but coming from a party intimately involved *in a bid for The Times,* it helps to explain why the sale to Rupert Murdoch came as little of a surprise, despite the secrecy imposed on potential bidders by Thomson's bank advisor, S. G. Warburg.

The 5 pm announcement has generally been greeted, then, as the beginning rather than the end of the critical phase. "There are a lot of troublesome hurdles to go," observed one interested party, "and we shall be posting men along them in the hope that somebody breaks a leg."

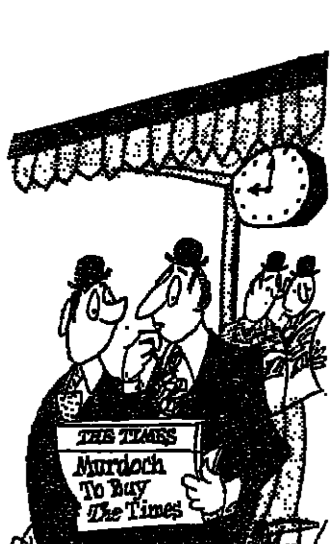
Murdoch's immediate concern is negotiations with the Times unions. Beyond that lies the question of his editors. William Rees-Mogg has announced his intention of leaving in March, and no successor has yet been appointed. Rees-Mogg backs Murdoch, whom *he calls* "a good commercial buyer." He says that the journalists' consortium will "still be there, still very keen to take over The Times in the event that union talks break down," but he is sufficiently satisfied with Murdoch to say that he does not feel disappointed at the failure of the internal bid.

The vetting by the existing editors of the new proprietor came down in the end to "in effect a yes-no" on Murdoch, he says. "I don't think there really was a convincing alternative, taking all factors into account."

Rees-Mogg does not *necessarily favour an internal* promotion—"The Times always needs the best editor available." The suggestion from other Times journalists is that Hugh Stephenson, editor of The Times Business News, would be the most popular internal choice. Some see a glint in the eye of *Louis Heren, deputy editor.*

Rees-Mogg's stand against the journalists' strike—which he still resolutely defends—is said by some of hi sstaff to have made relations somewhat tense. Certainly, the plans of Sunday Times editor Harold Evans are seen as the more crucial to the morale o fhis staff. Those who heard Evans' internal announcement of th esale yesterday afternoon report that he answered ambiguously questions about whether he would remain. "So long as he stays," said one prominent Sunday Times writer, "we are confident. In the short run, we are concerned that change may be forced upon us if he does decide to go." Departure by Evans would not please Murdoch, to judge from the latter's remarks yesterday. He hopes that Evans, "one of the world's great editors, will continue to serve for a long time."

So much for the problems facing a successful Murdoch. He may yet be hauled up short by union resistance or the Monopolies Commission. MPs Phillip Whitehead and Jonathan Aitken are particularly anxious to make sure that the latter avenue does not go unexplored. The two have put down an early day motion to that effect, and the Labour Party will be seeking an emergency debate today.



"One across, seven letters—voracious Australian mammal with large pocket?"

and presently?

"Topless people take The Times..."

Observer

Reconciling defence and democracy

A NEW discussion seems to have broken out about defence and democracy. Talk to any defence official these days and the chances are that you will be asked sooner or later: "What shall we do about public *opinion?" Press only a little* harder and the experts will admit to being deeply worried that the commitment to defence is beginning to lack adequate popular support, at least in large parts of Western Europe.

There are several reasons for this: the revival of anti-nuclear feeling in Britain, Holland, Norway and the Left-wing of the Social Democrat Party in West Germany is among the most obvious.

Officials also foresee a long period in which Soviet military expenditure and Soviet military power will go on growing. There will be few realistic prospects for arms control. Western defence *spending therefore* will have to go on going up. How do you sell that to public opinion? Even more to the point, how do you sell it to Ministers and Cabinets who want to be re-elected?

There *is* a special reason why attention has focused on this subject in the NATO headquarters in Brussels. Towards the end of last year the French delegation, for purposes which are not very clear, called for a 20 per cent cut in the NATO information budget—the funds which are used for seeking to persuade public opinion of the benefits of the alliance. The budget has now been frozen at last year's level and is allocated on a monthly basis.

The French action has at least had the merit of concentrating the mind. NATO officials and members of national delegations are quite openly seeking outside advice on how the aims of the alliance can be best presented to the public. On February 3, for the first time, a meeting of the Permanent Representatives (ie Ambassadors) to NATO will be exclusively devoted to the question of information policy. It is hoped that the budgetary issue will then be resolved.

Even if it is, however, some basic questions will remain. For instance, how do you persuade a generation which has no direct experience of war that the best way of preserving peace is by the plentiful supply of armaments and, in particular, how do you defend—intellectually and morally—nuclear weapons? Again, how do you present the rise in Soviet military power and the Soviet Union's increasing ability to extend that power around the globe to the man in the street? Not least, how do you convince the taxpayer that the already high expenditure on defence is being used efficiently?

It should be admitted that there are exceptions to the countries where the need for a strong defence is being queried. France appears to have little difficulty in steadily raising its defence spending, partly perhaps because it relies heavily on its own defence industries, thereby providing employment. *There may also be more than a* touch of nationalism. The French are ready to take to the streets on many issues, but it is rare to see a demonstration in favour of French unilateral nuclear disarmament, even by the French Communist Party.

As for the U.S., it could be well argued that one of the reasons why President Reagan is in power today is that he personified a feeling among the electorate that America's defences had been allowed to grow too weak. Even Mr. Carter changed from promising to cut U.S. military spending by at least $5bn when he took office to increasing it in his final year. Indeed *there is a perceptible* fear in the British Foreign Office that if Western Europe does not respond positively to the U.S. desire to raise spending, European-American relations will be seriously impaired and the Americans will be tempted to go it alone. European influence on the U.S.—for which one might read British influence — would decline.

Anyway, whatever might be *said about France and the U.S.*, there is concern that in much of the rest of the alliance the commitment to strong defence is weakening. This includes Britain whose Government has just demonstrated the difficulties *involved in pledging* to raise defence spending while cutting public expenditure overall. Mr. John Nott, the new Defence Secretary, gave the details of £200m worth of cuts in the House of Commons this week. The rest of this article is an attempt to say what might be done.

Much of the answer lies in more open government. One of the purposes of the alliance is to defend democratic values. It follows from that that the public should be informed about what is going on. In Britain the last Labour Government has been criticised for not disclosing the modernisation of the independent nuclear deterrent. Not even the whole Cabinet was consulted, let alone Parliament. We know the reason why: such is the state of opinion in the Labour Party that the Polaris improvement programme, had it been *known, would have* produced an enormous internal row. (It is worth noting in passing that, according to his former Cabinet colleagues, Mr. Michael Foot, the present leader of the Labour Party and sometime advocate of unilateral nuclear disarmament, never raised any objections to government policy on this issue when he was deputy Prime Minister.)

Yet the present Tory Govern*ment has been equally guilty.* The decision to replace Polaris with Trident was taken by a small group of Ministers. Mr. Norman St. John-Stevas, for one, was horrified by this approach to Cabinet Government, which may be an additional gloss on Mrs. Thatcher's first reshuffle.

Britain's Defence Secretary Mr. John Nott (left): how to sell yet more defence spending. NATO Secretary General Mr. Joseph Luns: any reorganisation might see him replaced. Mr. Michael Foot: no objections to Polaris improvement programme.

The result is that the debate has broken out after the decision. It is still by no means clear that the British nuclear deterrent is regarded by the alliance as a particularly valuable addition to western defence. It is not clear either that Britain can afford to pay for Trident without having to cut back on conventional forces The question of the circumstances in which British nuclear weapons might have to be used has scarcely been discussed. Not least, the argument advanced by the Government that if Britain were to abandon its nuclear deterrent, France would be the *only nuclear power in Europe.* is more a statement of fact than an intellectually compelling case. What is wrong with France having nuclear weapons and Britain not? The two countries are unlikely to go to war with each other and even less likely to use nuclear weapons if they do.

The argument seems to have more to do with concepts of national bargaining power and a competition between Britain and France for influence with the Germans and the Americans than the defence of the West. The debate on Trident is likely to run and run. It is not at the moment going in favour of the Government.

There is another case for more open government as related to defence expenditure. Although history might well show that the most striking global phenomenon from the mid-1960s to the early 1980s and perhaps beyond was the rise of Soviet military power, *that is not entirely how western* governments have presented it. On the contrary, the outside observer might note rather how the western defence effort has proceeded along the lines of stop-go-stop.

The collective memory, certainly in Britain, is more likely to be of the cancellation of *programmes that were once* said to be essential. The TSR-2, the withdrawal from East of Suez as well as the latest minor cuts are all examples. In America, there was Mr. Carter's decisions not to go ahead with the B-1 and not to press the deployment of the neutron bomb. There appears to have been no consistency in the Western position.

It may also be asked how far defence spending is cost-effective. The cases of spending on a particular programme getting spectacularly out of hand are now legion. It would be help*ful to know why.* Not many years ago the British Defence *Ministry used frequently to* underspend its budget because suppliers were so late in deliveries that it could scarcely pay bills for work that had not been done. Its complaint was that at the end of the financial year the unspent money then reverted to the Treasury. Today it is said that suppliers are delivering prematurely because of the recession. Hence the Ministry spent more this year than it should have done, and hence the latest cuts. Either way, it does not look a very efficient manner in which to administer defence resources.

Again, it has been stated time and time again that defence has *already been cut to the bone.* Yet one repeatedly comes across officials and serving officers who say that resources could be used more effectively. The case for increased defence spending is in danger of losing *credibility unless the Govern*ment explains (if it knows) what is going wrong.

There is also the question of justifying the concept of deterrence and the deployment of nuclear weapons to sceptical and perhaps morally concerned electorates. Too often the jargon gets in the way of the basic principle. It is no use talking about equivalent megatonnage or the difficulties of *reaching an agreed formula for* measuring one kind of weapon against another. The basic principle, as demonstrated throughout the ages, is that of the balance of power. If one country or bloc of countries *feels more powerful than an*other, the chances are that sooner or later it will be tempted to exploit its advantage, not necessarily militarily but politically. The best way of preventing that exploitation is to try to preserve a balance.

True, because of the development of modern technologies the stakes are now much higher. But the principle remains the same. Nuclear weapons are part *of the balance. Anyone tempted* by the idea of unilateral western nuclear disarmament, or even nuclear inferiority, might like to ask the question: What might the world have been like if the Soviet Union under Stalin had had the bomb and the U.S. had not?

That leads us to arms control. Of course, the balance is much too high. The degree of overkill in the nuclear arsenals is self-evident. It is also agonising to contemplate the use of nuclear weapons in possible first, second and third strikes, as envisaged by contemporary doctrine. But this is a problem that should be faced by governments as well as by public opinion. It is *imperative that a serious new* effort at arms control should be made if governments are to take the population with them. After all, the main reason why the original Campaign for Nuclear Disarmament in Britain eventu*ally petered out was that the* government of the day was sufficiently alarmed by the possibility of nuclear confrontation to initiate the negotiations on the partial test ban treaty.

It may be that new efforts will *fail because of the determina*tion of the Russians to achieve superiority, but at least they must be seen to have been tried. If they do fail after a convincing attempt by the West, it should then be easier to convince public opinion of the need for strong defence, including the deployment of nuclear weapons in Europe.

There is one final point about NATO. Dr. Joseph Luns, the Secretary General, is 69. He was a sturdy Dutch Foreign Minister in the 1960s. He has been at NATO since 1971 and has performed valuable services. There is no constitutional procedure for removing him and no set term for the office. But if the organisation of the alliance needs a new approach, as I suspect that it does, a new Secretary General may be needed.

It is one thing to say that it *is all up to public opinion.* Governments, political parties and international organisations ought also to give a lead. On defence, they could do better.

Malcolm Rutherford

Rewards for directors

From Mr. H. Parker

Sir,—Two of your recent leaders—"Rewards for directors" (January 13) and "Propping up lame ducks" (January 19)—drew attention to a phenomenon that is uniquely British and, in my opinion, one cause of much of British industry's poor performance when measured against some of its foreign competitors. I *refer to the prevalence of so*-called "executive" boards of directors in this country.

In the first of your leaders referred to above, this sentence makes the point: "It is not clear why directors, who in theory bear ultimate responsibility for a company's performance . . . should be harder to dislodge from their positions and have more protection in the event of a company's bad performance than other employees." It is clear enough to me why this is so: the directors of a public company are very often also the same men who are responsible for its bad performance. And one of the steps commonly *taken by boards of such com*panies under threat of losing their jobs through enforced merger or takeover is to award themselves generous service contracts (if they do not already have them) so that in any event they will benefit from "golden handshakes," whatever may happen to the interests of the shareholders to whom they are legally accountable, or to the employees for whom they are morally responsible. Such service contracts are awarded by the directors in their collective capacity as a board, but actually apply to individual directors in their capacity as managers.

Your second leader makes this comment: "Many of the companies which are now facing a financial crisis are in this position because of their own management errors." That's absolutely right. But if the responsible managers are only accountable to themselves as the board, as is too often the case in this country, what pressure is there on them to perform better? Very little as things now stand.

There are two practices that I would like to see more widely adopted. First, more truly independent non-executive directors on public company boards so that the iniquitous practice of self-protection referred to above can at least be effectively challenged. And second, as your first leader suggests, the adoption of a positive system of "performance related rewards" for top managers to displace the present negative system of defensive service contracts.

Hugh Parker.
McKinsey and Company,
74, St. James's Street, SW1.

Businessman's burden

From Mr. M. Kalmar.

Sir,—I run a small business with two branches in London and a farm in *Kent.*

I am in communication with 37 different governmental authorities. I have to deal with 84 different bureaucrats. I have to fill in 187 forms a year. I have to pay 120 bills. I receive over 1,200 governmental or semi-governmental communications a year.

The layout and printing of these communications makes most of them extremely difficult to read; they are in different *type faces; in different sizes of* type, in bold or faint italics or sometimes they are printed in such a manner that you have to turn the paper in three different directions to read them. Some of the communications are so detailed that they take 36 hours of reading time just to get through them. A large number contain threats of dire penalties if I do not conform to the particular requirements of the bureaucrats who composed them. The requirements comprise an unbearable burden for a small businessman.

I supported the Government at the last Election because of promises to do away with much *of the bureaucracy*, to cut down on government spending and to ease the burden upon the small businessman. After nearly two years, however, the Government does not seem able to perform the policies which it promised. *While its declared policies* may be right I am now looking for an alternative set of Ministers who will be able to perform the functions of government in a more efficient manner and keep the promises they make at elections.

Michael Kalmar,
Bridge House,
181 Queen Victoria St., EC4.

Taxation and building

From Mr. N. Dangoor

Sir,—As we go through the deepening recession and mounting unemployment let us not forget that the country is badly in need of rebuilding. This cannot be done out of taxed rental income.

A depreciation allowance of 5 per cent per annum on existing buildings or a 50 per cent capital allowance on new ones, in the coming Budget, would generate a building boom and lead the way to a general economic revival.

N. E. Dangoor.
25 Albert Hall Mansions,
Kensington Gore,
SW7.

Industrial training

From Mr. D. Jenkins.

Sir,—In your issue of January 17 you refer to the report on industrial training boards published by the Centre for Policy *Studies.* I would like to comment. It is in fact less of a report than a fairy tale. The villains of the piece are the bureaucratic boards and greedy trade unions, business is the hapless maiden, and Adam Smith is the fairy godperson. Many of us who are directly concerned with business reality sometimes wish that life were that simple.

In practice the shortcomings of the ITBs have two sources. The first has been the Government notion that it was possible to identify training "standards" and apply them across entire industries. The second has been the belief—widespread within *industry for many years*—that many managerial mishaps such as late deliveries were caused by a chronic shortage of key skills. This, as some of us have been at pains to point out, has always been a myth. What has since become clearer is that this myth has served to mask the real problem—productivity. And low productivity cannot be attributed exclusively to trade union avarice, as the report would have us believe. There *would be few managers who* would deny that management must take its share of the blame.

But surely, if the ITBs were set up to crack the wrong problem, the sensible thing now would not be to scrap them, but to permit them to solve the right one. In any case training makes no sense except within the context of productivity. There is a strong case for merging the ITBs (or part of them) *with the productivity services* of the Arbitration, Conciliation and Advisory Service to form a productivity agency. And if bureaucracy is the problem, what better way to solve it by making this agency largely dependent on revenues derived from fees charged for services? Had the authors gone a little deeper than they did, they would have found that such a solution was suggested, in part, as long ago as 1972 by the training survey unit of the Department of Employment. This proposal has been brushed aside *by what industry is apt to* regard as the ultimate in bureaucracy, the Manpower Services Commission—a body which curiously escapes criticism by the report. Perhaps the real conclusion we should draw is that the MSC and Adam Smith will live happily ever after.

The publication by the Centre is in fact a political broadsheet. There is nothing wrong with that. What is mischievous is to dress it up to look like a serious examination of an important issue. Many of us who are at the "sharp end" are already tired by the homespun nostrums of those who are long on *political views but short on the* realities of the industrial scene.

David Jenkins,
Chantrey House,
Landford Road,
Putney.

MacGregor plan *v.* tinplate

From Mr. S. Griffiths

Sir,—Your report (January 17) that British Steel Corporation management had bluntly rejected alternative schemes submitted by the workforce at Velindre tinplate works (Swansea) in opposition to the MacGregor plan is somewhat misleading in its brevity and we *would ask your indulgence* in order that we may elaborate the situation.

The first distinction to be made is that the MacGregor plan applies primarily to the steel sector of BSC. Tinplate *is quite a different animal*; a different industry, a different product, a different tradition. Indeed, a tradition so different that it has been profitable . . . Velindre itself has contributed some £42m profits to BSC over *the last eight years*, by far the best record of the three tinplate plants in BSC tinplate group.

The second distinction is that the so-called survival plan for the tinplate industry was composed by tinplate group management and not by Mr. MacGregor (and was, in passing, the sole plan submitted to him). Mr. MacGregor has, indeed, made it clear that any re-examination of the policy endorsed by him must be done lower down the chain of command, i.e., by the individuals who devised it. This, incidentally, seems an odd reaction from a chairman who was the subject of the highest transfer fee ever paid by taxpayers of this country. There must be many people who, for a fraction of the cost, would be prepared to sit in Mr. MacGregor's chair, accept the recommendations of subordinates and promulgate it as BSC policy. As far as we in Velindre are concerned, the *washing-of-hands by Mr. Mac*Gregor is costing us dear as we are faced with closure.

Space does not permit the catalogue of specific criticisms and refutations which we in Velindre have made against the proposed policy for the tinplate industry in general and Velindre works in particular. Suffice it to say that we regard the policy as a plan for suicide rather than one for survival but our attempts to gain an objective re-assessment of the proposals have met with an almost arrogant rebuff—"the right divine of Kings to govern wrong," perhaps.

The peculiar mental process *in tinplate group appears to be* as follows: Of the three works in the group, one has always been very profitable, one profitable and one a heavy loss maker (subsidised by the other two). This may be shown thus:

Works A	...100 profit
Works B	... 60 profit
Works C	...150 loss

Net group profit 10

Under the current recession, the market has contracted and there is insufficient demand to maintain all three plants operating fully. The options open are therefore: (1) Share the orders between all three plants with a shortened working week (15 shifts instead of 20, say) and with significant redundancies at all locations. We may add here that management have refused to disclose their claimed costings of this option. We suspect that this is due to the fact that this is one of the alternatives favoured by Velindre. (2) Fully load two works and use the third as a loss-making overspill with immediate 70 per cent redundancies at the latter and, almost inevitably, total closure within the year. It will not have escaped your attention that this is a policy which applies long-term solutions to what are essentially short-term problems. The second option was the one chosen by management.

Given the latter decision, it would appear even to the most unsophisticated mind that the two plants to be fully loaded should be works "A" and "B" above. But (surprise surprise) group management have decided on works "B" and "C." As Velindre is works "A," you will appreciate our dismay and growing anger — righteous anger, we feel, at this act of lunacy.

We have asked and will continue to ask: Why Velindre? We have asked Mr. MacGregor and will continue to ask him: Why Velindre? We shall ask Sir Keith Joseph: Why Velindre? Or is this a novel U-turn —close the profit making plants? (remember our £42m profits?).

We suggest that the answer would be of absorbing interest to everyone, not merely we at Velindre.

S. J. Griffiths (for the Velindre Works Council Action Committee),
54 Alltygrug Road,
Ystalyfera, Swansea Valley,
West Glamorgan.

Today's Events

GENERAL

UK: Mr. Shunon Peres, Israeli Opposition leader, meets Mrs. Margaret Thatcher, Downing Street.

Mr. Anthony Wedgwood Benn, Mr. Eric Heffer, Ms. Joan Maynard, Mr. Ian Mikardo, Mr. Reg Race and Mr. Arthur Scargill, speak at Tribune Group meeting, Central Hall, Westminster.

Steel, rail and coal unions meet to discuss economic situation, London.

One-day strike by 18,000 British Airways maintenance engineers and ground staff at *Heathrow Airport.*

Special meeting of directors of House of Fraser to discuss letter from Lonrho.

Mr. John Hall, Queen Mary College, lectures on London's Ebbing Highway (the Thames), *Museum of London, 1.10 pm.*

Overseas: Prince Charles visits Federal Institute of Technology, Zurich.

Warning strikes called by Polish union Solidarity in 40 *industrial plants.*

International Green Week opens, Berne (until February 1).

PARLIAMENTARY BUSINESS

House of Commons: Private Members' motions.

OFFICIAL STATISTICS

Department of Transport issues figures for new vehicle registrations for December.

COMPANY MEETINGS

Cardiff Property, Angel Hotel, Cardiff, 12. Chemring, Alchem Works, Fratton Trading Estate, Portsmouth, 12.

COMPANY RESULTS

Interim dividends: Burt Boulton Holdings, Estates Property Investment.

LUNCHTIME MUSIC, London

Organ recital by Jeremy Filsell, St. Paul's Cathedral, 12.30 pm.

Piano recital by Elizabeth Mitchell, Guildhall School of Music and Drama, Barbican, EC2, 1.10 pm.

BOC sees much better result

MR. R. V. GIORDANO, managing director and chief executive of BOC International believes that profits before tax will improve substantially in 1981. "Moreover the group's cash flow is strong," he adds.

The current level of gross capital expenditures which is in excess of £150m, is two-thirds financed by depreciation—total debt, while rising in currency terms, will continue to decrease slightly as a percentage of total assets employed in the business.

Mr. Giordano says the most important tasks over the next few years are to simplify the business portfolio and concentrate attention on the traditional businesses, to improve productivity and overall profitability as well as improving the already considerable financial strength of the group.

Despite expectations of a year of no growth in the U.S. and a continuation of difficult trading conditions, Mr. Giordano says profits of Airco will improve considerably over last year.

This will follow the elimination of several one-time costs including the shutdown and relocation of production facilities as well as cost reduction programmes designed to improve productivity and profits, despite little or no growth in sales volume.

However, in UK operations, Mr. Giordano warns that manning levels are far too high, not just on the shop floor, but throughout the organisation. "This is true whether or not employees are members of a trade union."

As known, profits before tax in the year to September 30, 1980 were down from £72.7m to £61.5m on turnover of £1.19bn against £1.23bn.

The change of the pound in relation to other currencies reduced the currency value of foreign earnings by £6m. "We do not expect a comparable rise in 1981," says Mr. Giordano.

Additionally the rise in interest rates on group debt in 1980 had the effect of reducing earnings by £8m. It is not expected that this interest charge will rise at all in 1981.

Mr. Giordano who joined BOC from Airco in October 1979 is shown as the highest paid UK director with a salary of £271,400. Sir Leslie Smith, chairman, earned £88,400 (£82,700). Meeting, Lyric Theatre, Hammersmith W, February 25 at 2.30 pm.

WARREN PLANTATION

Acceptances have been received in respect of 95.68 per cent of the 2.1m shares of Warren Plantation Holdings offered last month in a one-for-four rights issue. The issue was to raise £2.9m.

Rank profits drop £20m as strong pound takes toll

SECOND-HALF taxable profits of the Rank Organisation fell from £66.78m to £57.79m leaving the full year figure to October 31, 1980, lower at £111.24m, compared with £131.19m previously. Total turnover, however, improved from £537.83m to £596.72m.

Group profits would have been higher but for the strong pound and for the impact of non-recurring trading losses of £3.4m from feature film production and £4.2m losses from radio manufacture and marketing.

The upward movement of sterling against most world currencies depressed profits of Rank's overseas operations and Rank Xerox companies by £13.4m. The reduction from £101.89m to £89.34m in share of Rank Xerox profits was due entirely to the impact of exchange rates.

Mr. Harry Smith, the chairman, says it is not possible to forecast any general improvement in trading conditions for the immediate future, but he confidently predicts an increase in trading profits for the current year.

This confidence is due to the elimination of loss-making activities, improved prospects from Australia and Rank City Wall, together with the general benefits achieved by management action.

This year's results of Rank Xerox are particularly difficult to predict, adds Mr. Smith, as they will again be very dependent on the variation in exchange rates.

Trading profits of Rank and its subsidiaries dropped from £43.78m to £37.22m for the 1979-80 year. Associates, excluding Rank Xerox, produced an improved contribution of £6.69m (£5.41m). Higher interest rates resulted in interest charges up from £19.89m to £22.02m.

Tax took £49.98m (£53.73m) and minorities £4.21m (£3.48m). Reflecting losses on cessation of businesses, extraordinary debits surged from £0.32m to over £20m leaving attributable profits well down at £37.03m, against £73.66m.

Earnings per 25p share dropped from 38.4p to 28p, but the dividend is being held at 10.8p net with a final of 6p (same). Dividends absorb £22.4m (£22.33m) giving a retained surplus of £14.63m, compared with £51.33m.

Despite difficult trading conditions in 1979-80, a number of Rank companies increased trading profits. These included Butlin's, the Rank City Wall property company (up 14 per cent), Rank Industries Australia (turnround from £0.6m loss to £4.6m profit), Rank Leisure's catering and motorports operations (up 31 per cent), Top Rank Clubs, Rank Film Laboratories (up 30 per cent), Rank Industries Asia (up 17 per cent), Rank Taylor Hobson and Rank Advertising Films.

These results, however, were largely offset by a number of subsidiaries earning lower profits because of the worldwide recession. They included film exhibition and distribution, Rank Hotels, Rank Audio Visual, certain elements of Rank Precision Industries, Pinewood Studios and Rank Industries America.

Referring to future growth, the chairman states that this will come from the development of existing successful businesses in leisure and technology, aided, when appropriate, by acquisitions in related activities.

He points out that on January 8 a new management structure was announced which will be responsible for planning and implementing the next phase of the group's development.

A. Kershaw and Sons, which is controlled by Rank, increased net profits from £6.13m to £6.43m for the year, after tax of £0.9m (£0.68m). Earnings per share improved from 17.57p to 18.43p and the dividend is effectively unchanged at 21.75p net, with a final of 15.75p. The company's main asset is its substantial holding in Rank Precision Industries (Holdings).

Pre-tax profits of Rank Precision Industries (Holdings) fell from £59.44m to £52.89m for the year, despite an increase in turnover to £46.31m (£43.1m). Tax took £25.98m (£26.23m) and attributable profits emerged £3.32m lower at £27.02m. Dividends absorb £14.12m (£13.82m).

Lex, Back Page

HIGHLIGHTS

The Lex column looks at the news from Tate and Lyle that it intends to cut back on its refinery capacity with a loss of close to 1,600 jobs. The company will be taking account of extraordinary costs of £55, though a stock relief write-back eases the burden by nearly £19m. Rank Organisation's profits have eased by £20m to £111m for the year, with Rank blaming the strength of sterling for £13.4m of the setback. Finally Lex looks at the Thomson—News International deal which, assuming it is finalised, will pass ownership of The Times group of Newspapers to the Australian Press magnate. On the inside pages car dealer Henlys has taken a sharp knock, with a collapse into the red, though shareholders receive a dividend. Gestetner has revealed its full-year figures showing a £3m slide in profits to £16.2m.

Henlys plunges into the red

MOTOR DEALER Henlys plunged from pre-tax profits of £4.31m to a loss of £387,000 for the year to September 30, 1980, turnover, excluding car tax and VAT, was down from £204.4m to £195.1m.

The final dividend will be cut from 6.1p net to 3p, making 6p (9.1p).

Mr. Gordon Chandler, chairman and managing director, says trading was seriously affected by intense competition for vehicle sales in a contracting market, and by continued high stock financing costs.

The reverses suffered by vehicle sales departments was mitigated by service and parts sales, which produced figures higher than in the previous year.

Forecourt operations were affected by a tightening of margins in the second half. The leasing division had another satisfactory year and the major subsidiary, R. Cripps, dealing in construction and agricultural equipment and Rolls-Royce diesel engines, produced an acceptable return in the face of difficult trading conditions.

Net tangible assets at the year end were £34.8m, equivalent to 249p per share. This strong financial position, say the directors, provides the scope to withstand the present difficulties without taking measures that in the long term could be damaging.

The underlying strength of the balance sheet is maintained by a firm policy towards property assets. The group has had a professional survey of all properties carried out, and intends to take action at a number of sites where development potential could outweigh the probable long-term return from present use.

The directors say that in spite of the limited recent signs of a return to more sensible vehicle marketing, the trading background in the current year has been unattractive and the timing of any improvement remains uncertain.

The directors add that they feel it prudent to recommend a reduction in the final dividend to a level which is hoped to be sustainable if present conditions continue for some time.

The loss per share for the year was 0.6p (23.8p earnings).

comment

Taken in conjunction with recent figures from Heron and Lookers the £4.7m turnaround into pre-tax loss at Henlys provides a graphic snapshot of the sorry state of motor dealers. Although down from earlier levels of 90 per cent, Henlys is still 70 per cent linked to BL in its car sales. The effort to diversify into Ford and Renault is too small to make much of an impact as yet. But Henlys is finacially strong. Its net worth at year end was up slightly despite the losses. The group's ability to create extraordinary credits through property disposals not only helps to pay a dividend, but also ensures that there is a retained profit at the bottom of the p and l account. The gap between yesterday's 77½p share price and the company's estimate of a 249p net asset value per share makes Henlys theoretically vulnerable, but it is unlikely that any bidders are in the wings.

Gestetner hit by high pound and interest rates

THE STRONG pound and high interest rates have hit the profits of Gestetner, the international reprographics equipment and supplies group. In the year ended November 1, 1980, the profit before tax fell from £19.35m to £16.22m on an adjusted basis.

Operating profit came out at £20.97m but if sterling had remained at its 1979 level the profit would have been £1m more than the £22.42m achieved in that year. Interest paid shot up from £3.57m to £5.12m.

Basic earnings fell from 27.37p to 17.62p and fully diluted from 20.72p to 13.63p. But the dividend is maintained at 5.25p with an unchanged final of 2.75p.

The joint chairmen, Mr. David and Mr. Jonathan Gestetner, report that despite the world recession, group sales have reached a peak, rising from £267.95m to £280.85m in the year. But for distortions caused by the movement of average exchange rates and the renewed increase in the strength of sterling, turnover would have exceeded £300m.

"Bearing in mind the current economic uncertainty, we view 1981 with confidence," they tell members.

Results of overseas subsidiaries have been translated into sterling at the average rates of exchange for the period, which represents a change of policy. In preceding years results were translated at the rates ruling at the balance-sheet date.

In addition certain exchange differences, previously shown as extraordinary items, are now dealt with in arriving at the operating profit. The 1979 comparative figures have been restated accordingly.

The following items are charged against reserves: adjustments of retained profit to closing rates of exchange £669,000 (credit £48,000); exchange translation losses on net overseas assets £16.96m (£4.87m); other credits £92,000 (debits £163,000).

The tax charge came to £7.87m (£6.39m) made up as to: corporation tax £5.03m (£3.32m); double tax relief £2.17m (£3.12m); ACT recoverable £503,000 (£1.38m written off); overseas £5.76m (£5.31m) less prior periods' adjustments £240,000 (£494,000).

comment

Gestetner's figures are better than they look. Volume has been maintained and although margins continued to deteriorate in the second half, operating profit would have been slightly ahead but for the appreciation of sterling. Trading in North America was much improved, largely offsetting declines in the UK and Europe. Overall sales of copiers grew nearly 30 per cent but still account for only one-sixth of total turnover while stencil product sales fell 3 per cent but still bring in half of total turnover. The higher tax charge is due largely to a £1m provision for clawback reflecting a surprisingly successful attack on working capital. Stocks are down by £1.8m, cash balances up £4.8m and borrowing up only £2.5m. In addition, the group spent £0.7m to buy in some of its Euro-sterling loan stock. The shares eased in advance of the figures on fears of a dividend cut but rose 9p to 74p yesterday following the company's mildly optimistic statement. The current year will see the much-needed enlargement of the copier range and profit should came close to matching the 1980 figure. The yield of 10.5 per cent may now provide some support for the shares. The fully taxed p/e is 5.4.

English China expects decrease

IT LOOKS as though profits in the current year for English China Clays are unlikely to match the £40.51m of 1979-80, Lord Aberconway, chairman, tells shareholders in his annual review.

As expected tonnages of china clay sold in the early months of the current year are down on the same period last year while the quarries division is faring only slightly better, the chairman says.

Costs meanwhile rise inexorably and at the same time keen resistance to price increases for china clay continues overseas as well as at home. There is also no sign of any appreciable relaxation in the high level of the sterling exchange rate against most currencies.

As reported on January 9, pre-tax profit for the year to September 30, 1980 was an improvement on the £33.12m achieved in the previous year. Turnover amounted to £332.43m against £280.79m.

The balance sheet shows shareholders' funds at £241.23m (£224.38m) with loan capital of £44.87m (£29.03m) and advances from bankers of £8.34m (£7.43m). Meeting, Hyde Park Hotel, S.W., February 19 at 12.30 pm.

Midway profit for Smith Whitworth

Maker of textile machinery, steel fabrications and plastics products Smith Whitworth has stayed in profit in the half year ended September 30 1980, turning in £73,198 pre-tax. However, because of the recession the directors do not expect this performance to be repeated in the second half.

The litigation with Vickers is currently in progress but no provision has been made in relation to this. The litigation arises on a claim against Smith Whitworth for alleged breaches of warranties given on the sale of a former subsidiary, Roevac Automation.

The claim is being defended, but the directors have already stated that there is a possibility that some liability may ultimately be established against the company.

Y. J. Lovell 10% higher at £2.9m

AIDED by higher profits from commercial development, sale housing and general construction—which more than offset the effect of reduced profits from plant hire and its timber division and losses in completing public sector housing contracts —Y. J. Lovell reports an increase in pre-tax profits for the year to September 30, 1980.

The builder, developer and timber importer reports a 10 per cent increase from £2.62m to £2.88m in pre-tax profits, and turnover rose substantially from £105.01m to £138.97m.

The board says that the sombre conditions prevailing currently in the industry must cause difficulties in the short term, but it believes that the group's operations and performance provide a sound base for continuing growth.

Properties held for investment or occupied by the group were revalued as at September 30, 1980, at £18.4m, and shareholders' funds at that date amounted to £25.5m, equivalent to 367p per 25p ordinary share.

The board says the significant asset growth reflects the increasing importance of property development in the balance and direction of the group's activities.

As a result of the increasing proportion of income arising from investment properties, the directors believe that a more progressive dividend policy can be adopted. As a first step, they are recommending a final dividend of 5p (4.25p) for a total of 7p (5.75p), an increase of 22 per cent on the year. Dividends absorb £495,000 (£409,000).

Trading profit rose marginally from £2.84m to £2.9m, but there were associates' losses of £25,000 (£224,000). After tax up from £50,000 to £201,000 and payment of dividends, retained profits amounted to £2.18m (£1.83m). Stated earnings per share are 38.7p (37.1p), before extraordinary debits last time of £330,000.

Closure of S & K placement

One month after its offer, S and K Petroleum yesterday announced the closing of its placement of 7m common shares of $5 per share. The placing was made primarily in Europe and excluded the U.S. and Canada. Canadian stockbrokers Wood Gundy and Midland Doherty acted as agents to the issuer along with Dominion Securities.

The company's shares are to be traded on the Alberta Stock Exchange by the end of the month and following this, dealings will take place on the London Stock Exchange under Rule 163 (1e), the provision for foreign-quoted companies.

S and K was created by Sceptre Resources, the Canadian oil exploration company, and Kaiser Oil of the U.S. About $14m of the proceeds will be used to acquire and drill 28 identified prospects in the States. This money represents part of the $60m joint venture between S and K, Sceptre and Kaiser. Under the terms, S and K has committed $30m, Kaiser $20m and Sceptre $10m to a 36-month exploration programme.

Warner Ests. near £1.7m

A rise from £1.22m to £1.69m in pre-tax profits is reported by Warner Estate Holdings, property investment holding company, for the year to September 30, 1980. Turnover rose from £5.87m to £7.15m. Extraordinary items—mainly comprising the surplus on property sales—amounting to £1.73m (£1.77m), have been transferred to capital reserve.

After tax up from £593,000 to £837,000, stated earnings per 25p share are 7.4p (6p), and the final dividend is 3.5p (3.4p) for a total of 6.5p (5p). Retained profits came out at £124,385 (£92,540).

The board says the value of properties has been included in the accounts as fixed assets and it estimates these to be £41.5m (£35m).

Barget reduces losses sharply to £288,693

DESPITE A fall in sales from £3.58m to £2.05m losses at furniture manufacturer Barget were reduced in the 12 months to September 30, 1980, the pre-tax figure coming through at £288,693, compared with £857,116.

There was no tax charge, against a credit of £39,375 and extra-ordinary debits were £19,497 (£77,518). There is again no dividend — the last payment was 0.9p net in 1976.

At the interim stage losses had been reduced from £178,491 to £129,701.

The directors say the results for the 12 months reflect the rationalisation programme of the previous management and measures taken by the new management to reduce losses in the furniture-making business.

Since the year-end results from this side of the company have continued to improve and the directors are confident that this area of the company's activities will achieve a profit during 1981.

They add that despite the present difficult market conditions in the furniture industry, targets they have set are realistic and can be achieved.

At the time of the acquisition by Hong Kong company Tinnox of its majority shareholding in the group, shareholders were informed that Tinnox believed it could introduce the company to new markets outside the UK.

Having studied the subject with Tinnox the directors have concluded that the principal opportunities for the company are in the areas of supplying furniture and related products and construction materials and supplies to major contractors operating in the Middle East and Far East and to undertake contract furnishing and interior works on major projects in these areas.

Business has already been concluded in these markets resulting in profits for the company. Negotiations are in hand for further business and the directors confidently expect that the proposed expansion of the trading and contracting activities should result in substantial profitability during 1981 and subsequent years as the company establishes business relationships with major international contractors.

The company's year end is being changed to December 31 to coincide with Tinnox and accordingly, audited accounts will be for a 15-month period to end December, 1980.

City of Dublin Bank to raise IR£420,000

City of Dublin Bank intends to raise IR£420,000 by the issue of 1m shares to a small number of institutions.

The issue, which is subject to the approval of shareholders, is being made at 42p per share, 2p above the market price on January 20.

Some 55 per cent of the shares will be taken up by Irish institutions and the remaining 45 per cent by UK institutions. The issue is to take effect on February 21, subject to the approval of shareholders at an extra-ordinary meeting to be held the previous day.

"In order to comply with the requirements of the Central Bank of Ireland as regards the ratio of share capital and reserves to lendings and to allow for the expansion of business, City of Dublin Bank has agreed to make a special issue of 1m shares for cash," the bank stated.

R. Smallshaw

Pre-tax profits of R. Smallshaw (Knitwear) fell from £340,710 to £172,417 in the year to September 30, 1980.

Turnover was also lower at £4.95m compared with £5.44m.

After tax down from £176,496 to £89,287, stated earnings per 10p share are 3.325p (6.568p). The final dividend is unchanged at 1.25p for a same-again total of 1.75p.

UNITED WIRE CHIEF WARNS

Mr. A. A. R. Green, the chairman of United Wire Group, said at the AGM that based on the first quarter's results, and in view of the continuing low level of demand, it is now unlikely that the three traditional divisions will succeed in operating profitably for the first half year. It is anticipated, he added, that there will be only a modest group profit arising from our South African operations and Thule United.

At this time it is difficult to find justification for taking a more optimistic view for the second half year.

CRYSTALATE SEES SLOWER GROWTH

Mr. John Leworthy, chairman of Crystalate Holdings, said at the AGM that he was "wary and apprehensive about the current year, but optimistic about the longer term."

Mr. Leworthy later added that he expected current-year profits to show growth over last year's £1.38m pre-tax, but the growth rate would be smaller than in previous years.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Abbey ....int.	1.41	March 16	1.41	—	3.94
Ashley Industrial ...int.	1.5	April 8	1.2	¶—	3
W. G. Allen ....int.	0.8	—	0.8	—	3.11
Courts (Furnshrs.) int.	1.75	April 10	1.75	—	3.7
Derby Trust	11.65	Feb. 28	10.63	20.26	17.82
Dom Holdings ......int.	1.48	Feb. 27	1.97	—	5.7
East Daggafontein	§15	March 13	10	15	10
Gestetner	2.75	April 2	2.75	5.25	5.25
Glanfield Lawrence ...	Nil	—	1.25	Nil	1.25
Henlys	3	—	6.1	6	9.1
Idris Hydraulic 2nd int.	3	March 23	5	—	14
A. Kershaw	15.75	April 13	*19.35	21.75	*21.75
Lincroft Kilgour	Nil	—	2.4	Nil	4.05
Y. J. Lovell	5	—	4.25	7	5.75
Rank Organisation	6	April 13	6	10.8	10.8
R. Smallshaw	1.25	—	1.25	1.75	1.75
SA Land and Expl. ...	§20	March 13	20	55	40
Southvaal	§260	March 13	140	430	140
Tate and Lyle	6.5	—	4	10.5	10.5
Turnbull Scott ......int.	3	Feb. 12	2	—	5
Warner Estate	3.5	March 12	3.4	6.5	5
Watson and Philip	2	March 20	2	3	3
Utd. States & Gen. Tr.	6.5	March 27	5.61	10.5	‡10.29
Vaal Reefs	§700	March 13	320	1,320	510
Western Deep	§400	March 13	225	800	320
Whatlings	Nil	—	1	0.9	1.9

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Includes special payment of 1.68p. § South African cents throughout. ¶ Final of 2p (1.8p) intended.

SPAIN

January 22	Price %	+ or −
Banco Bilbao	262	
Banco Central	304	
Banco Exterior	248	+2
Banco Hispano	256	
Banco Ind Cat.	121	
Banco Madrid	141	
Banco Santander	309	+1
Banco Urquijo	131	+1
Banco Vizcaya	290	
Banco Zaragoza	217	+2
Dragados	98	+4
Espanola Zinc	45	−1
Fecsa	67.7	+0.2
Gal Preciados	25	+1
Hidrola	66.7	
Iberduero	60.2	−0.5
Petroleos	86.7	+2.5
Petroliber	75	
Sogefisa	102	
Telefonica	60	
Union Elect.	62.5	

EUROPEAN OPTIONS EXCHANGE

Series		April Vol.	April Last	July Vol.	July Last	Oct. Vol.	Oct. Last	Stock
ABN C	F.300	8	3	—	—	—	—	F.274
AKZO C	F.17,50	30	1B	6	1.60	4	2	F.17.10
AKZO C	F.20	15	0.50	8	0.80	14	1.30	"
AKZO P	F.17.50	—	—	2	150B	—	—	"
AMRO C	F.60	2	1.50	—	—	—	—	F.57.90
KODA C	$70	3	5	—	—	—	—	$69⅜
KODA C	$80	2	1¼	—	—	—	—	"
HEIN C	F.55	—	—	1	2.80	2	4	F.52.80
HEIN C	F.60	15	0.50	—	—	—	—	"
HEIN P	F.55	—	—	—	—	2	5	"
HOOG C	F.15	1	0.60	—	—	10	1.20	F.14.20
IBM C	$70	—	—	3	4	—	—	$65⅝
IBM C	$75	3	1	5	2½	—	—	"
IBM P	$65	10	2⅜	—	—	—	—	"
KLM C	F.55	20	7.40	—	—	—	—	F.61
KLM C	F.60	47	4.50	35	6	—	—	"
KLM C	F.70	45	1.30	18	3	—	—	"
KLM P	F.55	30	0.80	—	—	—	—	"
KLM P	F.60	19	3A	—	—	—	—	"
KLM P	F.70	2	12	—	—	—	—	"
NATN C	F.120	19	4.60	3	5.90	2	7.50	F.121.40
PHIL C	F.15	49	1.60	—	—	—	—	F.15.60
PHIL C	F.17.50	97	0.80	87	0.80	356	1.10	"
PHIL C	F.20	100	0.20	217	0.40	—	—	"
OLIE C	F.190	10	26.30	—	—	—	—	F.210.60
OLIE C	F.200	238	19.20	—	—	—	—	"
OLIE C	F.220	193	9.20	66	12	—	—	"
OLIE C	F.240	126	3.20	52	6.10	—	—	"
OLIE P	F.170	7	0.50	—	—	—	—	"
OLIE P	F.180	42	0.70	—	—	—	—	"
OLIE P	F.190	37	1.80	—	—	—	—	"
OLIE P	F.200	59	5	15	9.30	10	12.40	"
OLIE P	F.220	58	14.50B	—	—	—	—	"
OLIE P	F.240	5	32	—	—	—	—	"
UNIL C	F.120	16	10.30	—	—	—	—	F.128.60
UNIL C	F.130	33	3	3	4.70	6	5.90	"
UNIL P	F.125	1	2	—	—	—	—	"
UNIL P	F.130	10	4.40	14	8	1	9	"
XERO C	$60	4	2½	—	—	—	—	$57
		Feb.		May		Aug.		
BOEI C	$40	3	2⅝	8	5¼	—	—	$41½
BOEI P	$40	2	⅞	—	—	—	—	"
OCCI C	$30	—	—	8	4⅞	—	—	$31½
SLUM C	$110	22	6	2	11¾	—	—	$110⅛
SLUM C	$120	16	1⅝	—	—	—	—	"
SLUM C	$130	—	—	2	5⅞	—	—	"
VW C	DM.150	10	0.50	—	—	—	—	DM159.50

TOTAL VOLUME IN CONTRACTS 2371

A=Asked B=Bid C=Call P=Put

Strong second-half recovery as Tate & Lyle finishes £4.5m higher

BY ALAN WRAIGHT

EARL JELLICOE, chairman of Tate and Lyle, expressed himself cautiously optimistic that the group is regaining its momentum, as he reported a strong second half pre-tax profit recovery for the year to September 30, 1980. At the interim stage, results showed a £2m shortfall at £9.2m, but the full year figure has turned in some £4.5m higher at £30.7m.

"The significance of 1979/80 and certain events since the year end should be viewed in terms of progress made towards completing the restructuring of the group, embarked on in 1978," says Lord Jellicoe. Actions taken will strengthen the group, but have resulted in extraordinary debits of £32.6m, compared with credits of £9.8m last time. Bulk of the actions referred to relates to the Love Lane, Liverpool, sugar refinery and its associated Lock Fields distribution depot which will be closed as soon as possible.

The actual total of provision for closure of some of the sugar refining and starch interests and other rationalisation costs was £55.5m, but this was reduced by £18.6m for stock appreciation relief written back.

While group profits are described by Lord Jellicoe as satisfactory, their mix was less so. Overall figures show striking variations in the performance of the main businesses. Internationally for both sugar and molasses, the trading companies made the most of buoyant prices and volatile conditions in world supply. However, it was a different picture for UK manufacturing operations. Sugar refining and starch and glucose production reflected the pressures of overcapacity, falling demand and EEC policies.

Turnover for the 12 months pushed ahead from £1.19bn to £1.42bn, on which trading profits improved from £30.1m to £42m. Pre-tax profits included exceptional credits of £2.7m (£5.9m) and associated profits of £0.2m (£3.6m), but were after higher interest of £14.2m (£13.4m). Tax took £10.4m (£11.6m) and minority profits £3.1m (£0.8m), leaving the attributable balance at £17.2m (£13.8m). CCA taxable profits totalled £11.3m. but dividends are still not covered by inflation-adjusted attributable results.

Extraordinary items have been charged to reserves, which at the year end stood at £133.4m (£158.1m). The effect of deducting these items from attributable profits would be to decrease the figure to a loss of £15.4m (1978-1979 increased to a £23.6m profit).

Basic earnings per £1 stock unit rose from 25.1p to 31.3p and fully diluted from 24.9p to 31p. The final dividend is 6.5p net, maintaining the 10.5p total.

While the major changes in group structure have affected stockholders' funds, higher retained earnings linked with the release of deferred tax credits have helped to minimise this reduction. The net worth at September 30, 1980, stood at £190m, compared with £215m.

During the year the company realised £31m from the disposal of assets. Of this ship sales accounted for £22m, and the sale of the three remaining parcel carriers since the year end has added a further £11m.

Capital expenditure for the 12 months amounted to £24m and net borrowings closed the year at £74.5m (£98.3m).

Concluding his statement, Lord Jellicoe says, that after three years of redirecting group strategy, many difficult decisions about Tate and Lyle's future have been taken and are now being implemented.

"A more flexible, more robust and more profit conscious group is already emerging," he adds.

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Anlysis of trading profit and turnover.

	Trading profit £m	Trading profit £m	Turnover £m	Turnover £m
Agribusiness	*7.6	(2.3)	29.4	(64.4)
UK	*6.5	(2.2)	27.2	(42.3)
Canada	*1.3	(—)	0.3	(20.9)
U.S.	0.2	(0.1)	1.9	(1.2)
Bulk liquid storage	2.2	(1.2)	7.5	(5.4)
UK	2.0	(1.1)	7.5	(5.4)
U.S.	0.2	(0.1)	—	(—)
Commodity trading worldwide	32.5	(17.4)	702.0	(499.3)
Molasses	14.9	(8.4)	219.9	(207.3)
Sugar	19.3	(9.8)	431.0	(174.8)
Other	*1.7	(*0.8)	51.1	(117.2)
Insurance	0.8	(0.8)	—	(—)
UK Malting	2.3	(2.4)	19.6	(18.6)
UK Shipping	2.4	(2.5)	4.7	(9.5)

	Trading profit £m	Trading profit £m	Turnover £m	Turnover £m
UK speciality chemicals	*2.9	(*0.6)	0.6	(0.1)
UK starch	*3.5	(*1.9)	36.3	(35.7)
Sugar refining and production	17.4	(7.5)	554.0	(485.4)
UK	5.6	(5.4)	374.5	(371.1)
Canada	3.2	(1.5)	69.1	(59.2)
U.S.	5.0	(*0.4)	77.9	(48.9)
Belize	2.9	(1.0)	14.0	(6.2)
Zimbabwe	0.7	(—)	18.1	(—)
UK warehousing and distribution	0.1	(1.9)	28.4	(30.7)
Other activities	1.9	(2.1)	38.2	(41.3)
Making	45.5	(35.6)	1,420.7	(1,190.4)
Central expenses (note 2)	1.1	(2.6)	—	(—)
Research and development (note 3)	2.5	(2.9)	—	(—)
Trading profit	42.0	(30.1)	—	(—)

* Loss.

£425,000 loss for Lincroft: no dividend

THE SEVERE recession in the textile industry has badly affected the Lincroft Kilgour Group, cloth merchant and menswear manufacturer.

For the 12 months to end-September, 1980, the company incurred a loss before tax of £425,406, compared with a profit of £434,696, and there is no dividend. Last year an interim of 1.65p net was followed by a final of 2.4p.

At midyear, when reporting profits down from £261,000 to £24,000, Mr. Tony Holland, chairman, said that the recession in the industry, combined with high interest rates and a strong pound, had caused the company to review costs throughout the group.

He added that current trading showed no sign of improvement and warned that unless there was an upturn in sales, payment of a dividend for the year must necessarily depend on prospects for 1980-81 and benefits flowing from economies being made.

Mr. Holland now says the cutbacks had to be more severe than originally envisaged and the full cost of the retrenchment programme, which was largely completed by the end of December, 1980, amounted to £431,000. This will be shown in the accounts as an extraordinary item, he adds.

Sales for the year were over £1.27m lower at £13.19m and there was a trading loss of £360,783, against a profit of £526,917.

Share of associated company loss amounted to £50,890 (nil) but investment income improved to £75,092 (£44,078) and exchange losses showed a drop from £136,299 to £88,825.

After a reduced tax charge of £109,463 (£175,619) there was a stated loss per 10p share of 11.16p, compared with earnings of 5.16p. Net assets per share were 77.92p (97.99p).

Minorities fell from £11,726 to £146 and after an extraordinary debit of £414,852 (nil) there was an attributable loss of £949,867 (£247,351 profit).

Commenting on the results the chairman says that during the year many of the group's customers either adopted a policy of destocking or purchased imported goods, which, mainly due to the continued strength of sterling, have become better value for money.

	Year 1980 £	Year 1979 £
Turnover	13,194,001	14,473,530
Trading loss	360,783	†526,917
Associate loss	50,890	Nil
Invest. income	75,092	44,078
Exchange loss	88,825	136,299
Pre-tax loss	425,406	†434,696
Tax	109,463	175,619
Net loss	534,869	†259,077
Minorities	146	11,726
Extraord. debit	414,852	Nil
Attributable loss	949,867	†247,351

† Profit.

● comment

Following a disastrous trading year, Lincroft Kilgour has disposed of most of its menswear manufacturing businesses, leaving only one utility suit factory, a shirtmaking business and, of course, the bespoke tailors, Kilgour, French and Stanbury. Of the nearly £415,000 in extraordinary charges, £190,000 was for redundancies but the company's financial position seems sound. Net borrowings rose to about £2¾m at the year end but are declining now that substantial stocks can be run down without fear of clawback. Shareholders' funds are roughly £3½m. Cloth merchanting, most of it for export, represents more than three quarters of sales following the disposals and more than half the group's sales are now overseas. Large currency fluctuations continue to upset foreign customers but the group hopes for a return to profitability this year. The shares fell 1½p yesterday to 17p where the market capitalisation is £814,000.

Reduced levels of volume hit CI

THE main problem for Caravans International, which is forecasting a big loss for the first half of the current year, has been one of volume dropping away faster than anticipated.

Speaking at the annual meeting Mr. Samuel Alper, the chairman, said that the group's adjustment to the reduced levels of volume is shown in the continued losses. However, he felt that there were signs that the market had bottomed out.

The chairman said that the group had contracted and had shed some labour, but he said that it was "not expecting to continue to be in this situation." The chairman said that the group was not "just sitting back" to let things take their course.

The company was still having to adjust capacity, but Mr. Alper said that there are still opportunities in a recession and "we are making the most of them."

He said that in Italy the opportunity was taken to sell caravans to the disaster area. Margins on the sales were low as it was not felt appropriate to take excessive profits on the sales. This move has cleared the stocks and has enabled the Newmarket factory to go back to full-time production.

Referring to the launch of a new version of the Sprite caravan, he said that this new model was attracting increasing interest.

Dom down sharply at midterm

TURNOVER for the half year to September 30, 1980, of Dom Holdings, maker and retailer of fixing products, was marginally higher at £7.11m, against £7.05m, but reduced volume, after taking account of price increases, was reflected in pre-tax profits which fell sharply from £703,654 to £142,310.

During the current six months, trading has continued at a slightly lower level than last year and therefore, the directors say second-half results, in comparison with the previous year, will certainly be lower.

The interim dividend is being cut from 1.972p to 1.479p net per 10p share—last time the total was 5.704p on record taxable profits of £1.43m.

The reduction in sales volume was principally caused in the area of business relating to industrial and manufacturing users, where much of the downturn occurred in line with industry generally. Sales to construction and repair users were less affected.

Since last April, the company has been rationalising the whole of its organisation, including engineering, production, distribution, administration and sales, to the effect that it will be working in the next financial year with substantially reduced overheads and costs.

The company has continued its investment over the past year in new plant and automation and especially in the area of computer techniques and these programmes are continuing throughout 1981.

Tax for the half year took £39,374 (£352,234), while after dividends, the retained surplus emerged at £49,248, against £266,287.

Mr. D. O. McIntyre, the chairman, has waived 99.9 per cent of his entitlement to the interim dividend in respect of 3,873,880 shares, representing net waivers of £57,237 (last year he waived 75 per cent of his interim entitlement in respect of 4,243,880 shares, with net waivers of £62,767).

Watson & Philip falls

SCOTTISH-BASED food distributor Watson and Philip made pretax profits of £504,000 for the year to October 31, 1980, compared with £780,000. Turnover was £72.12m against £64.36m.

The tax charge was £232,000 (£446,000), but the net profit of £272,000 (£334,000) was boosted to £1.42m (£609,000) by an exceptional tax credit of £1.14m (£275,000) resulting from stock relief adjustment.

The final dividend will be maintained at 2p net, making 3p (same). This will be paid from earnings per 10p share of 17.2p (7.3p).

The directors say that, as expected, the year has been difficult for the group. In spite of the fact that sales improved in the second half of 1980 by 20 per cent, further rationalisation and the related costs hit trading results.

The expansion of activities outlined in a circular last August has met with mixed fortunes. The additional catering division facility in the Lake District has performed satisfactorily and has added to profits.

But, say the directors, the results of the self-drive hire companies were most disappointing. There was a sharp deterioration in market conditions and problems with local management.

Changes have been made and further steps are being taken to restore the business to a sound footing.

Abbey slips £67,000 at six months

IN VIEW of the current difficulties in international trade the directors of Abbey consider the results for the half year ended October 31, 1980, to be satisfactory, although profit before tax fell from Irish £2.13m to £1.46m.

Operating margins have suffered and have been accompanied by an increase from £852,000 to £1.62m in interest charges.

The interim dividend is held at 1.41p. Total for the year ended April 30, 1980, was 3.94p from profits of £4.79m.

Recent acquisitions are performing well and the directors expect the group's trading position will be maintained in the second half. "With the group's strong asset backing the long-term future can be viewed with confidence," they state.

Courts well down in first half

FIRST-HALF profits from Courts (Furnishers) show a drastic reduction from near £2.8m to £1.03m, the period covering what is generally accepted as the most difficult since the war. Also the comparative period last year took in the pre-VAT increase boom and produced record results.

The interim dividend is being held at 1.75p. Total for the year ended March 31, 1980, was 3.7p from profits of £5.36m.

The directors state that trading in the third quarter has been much more satisfactory in the UK and overseas, and profits for the second half should be "considerably in excess" of those now reported. In the coming months trading in the UK looks like being difficult, but the growing strength overseas should continue to assist the group's progress.

Turnover for the half-year, including VAT, came out at £25.58m (£25.95m). Adjustment has been made for exchange rate movements, but for which turnover would have shown an increase.

The profit takes into account £172,000 transferred from deferred profit (£165,000 transferred to).

No account has been taken of property disposal profits which the directors expect will be substantial for the year as a whole.

Four stores were closed during the period. New ones were opened at Ayr, Banbury and Gosport, and in Guernsey and Hong Kong. Additional outlets were opened in Singapore and Australia. All are trading successfully.

	First half 1980 £000	First half 1979
Turnover	25,583	25,948
Trading profit	2,259	3,279
Depreciation, interest	1,060	645
Operating profit	1,199	2,634
To deferred profit	172	†165
Profit before tax	1,027	2,799
Taxation	422	1,284
Net profit	605	1,515

† From deferred profit.

● comment

Courts (Furnishers) has had the setback which must have been expected at least since Cantors announced a sizeable loss last week. Unlike Cantors, Courts has held its interim dividend, thanks largely to continued profitable expansion overseas. Last year Courts still made over 60 per cent of its profit in the UK; although there was a small UK profit in this year's first half, the overseas' proportion must temporarily have risen close to 100 per cent, even after this year's bigger currency losses. It is likely that there will be a larger clawback from deferred UK profits at the year-end (there is surprisingly little in the present figures) and the expected substantial surplus on property disposals will be taken above the line. So there is every reason to suppose that the second-half profits will comfortably exceed the interim, making perhaps £3m before tax for the year. The shares moved ahead 1p to 65p, on which the historic yield is 8.4 per cent. The prospective fully taxed p/e is 10.7.

Setback for W. G. Allen at halfway

A DROP of around 50 per cent in demand for heating products has contributed to pre-tax profits of W. G. Allen and Sons (Tipton), engineer, falling from £212,000 to £40,000 in the six months to September 30, 1980. Sales were down from £3.85m to £3.7m.

In his annual statement, Mr. T. C. Frankland, the chairman, stated the company would do well to break even in the first half, and that the outlook for the full year would depend on the autumn heating season.

In the event, orders proved poor and have been obtained in a most competitive market with keen selling prices and, consequently, tight profit margins. Despite the decline in demand, the group has maintained its market share.

The board does not feel able to forecast the likely outcome for the year, although it is clear, the chairman says, that the results will fall far short of the pre-tax profits of £636,000 achieved in 1979-80.

The interim dividend is being maintained at 0.8p, and the board will review the final when results for the full year are known. Dividends absorb £29,759.

Turnround at Whatlings to £152,000 profit

A TURNROUND from pre-tax losses of £257,042 to profits of £151,844 is reported by civil engineering and building contractor Whatlings for the year to September 30, 1980. Turnover increased from £19.96m to £28.81m.

In spite of the group's return to profit, and the fact that £198,797 was transferred from reserves last year, the directors recommend that no final dividend should be paid. Instead, £100,190 would be transferred to reserves. They say this will be in the long-term interest of the group and the shareholders.

The last final was 1p net. A payment of 0.9p (same) was made for the 1979-80 interim period, at which stage the group was £99,000 in profit (£280,000 loss).

Mr. D. Cameron Lindsay, chairman, states that much of the increase in turnover arises from the effect of inflation and the reimbursement of increased costs through escalation clauses in the contracts which the company undertakes. There has also been an increase in the number of short-term contracts which have been carried out.

The profit for the year is, nevertheless, disappointing, he says. This is due to certain difficult contracts which show disproportionate losses in relation to their value. The outcome of these projects may improve when final accounts are agreed.

The balance-sheet shows a general improvement. Average borrowings were lower than in the previous year. A substantial reduction towards the end of 1979-80 has continued into the current year, so interest charges are at present more modest.

Mr. Lindsay believes that the company will continue to win enough contracts to give an adequate turnover. But a forecast of profitability for the coming year would not be meaningful in the present national climate.

Glanfield Lawrence loss full-time: omits payout

FOLLOWING MIDWAY losses of £138,000 against a £40,000 profit, Glanfield Lawrence, motor vehicle distributor and engineer, reports a pre-tax loss of £203,505 at the end of the year to September 28, 1980, compared with profits of £156,165 previously.

Turnover was down from £10.75m to £9.82m but sales for the first few months of the current year are encouraging and with a reduction in interest rates, a possible return to profitability is anticipated.

No dividend is being paid for 1979-80 against 1.25p in 1978-79. Stated loss per share is 6p (4.9p earnings).

The loss is after loan interest of £350,506 (£238,929) but before a tax credit of £76,360 (£59,497 charge). There is also a credit profit on extraordinary items of £11,941.

Trading results of all subsidiaries showed a decline and the company at Cardiff ceased trading. At year-end, the group disposed of its investment in an associate (Glanfield Baldet) and simultaneously acquired a company with the main Citroen dealership for Northampton.

With effect from December 1, 1980, the group has a second motor company operating in Wakefield and this recently has been appointed main Audi-VW dealers.

Property Securities up

Gross rental income of Property Security Investment Trust improved from £2.13m to £2.34m in the six months to September 30, 1980, and net revenue came through £15,000 higher at £176,000 after interest charges, up from £1.65m to £1.86m, and administration expenses. There was again no tax charge.

The net interim dividend is being effectively increased from 0.4p to 0.5p, after allowing for the scrip issue, and the directors anticipate a final of 1.3p (equivalent 1.04p).

The figures for the half year include all interest and other outgoings incurred in respect of investment properties, but following previous practice, do not include the results of property and share dealing activities. There was a net loss of £261,000 for the year to March 31, 1980, before a dealing profit of £806,000.

Minority losses in the six months amounted to £82,000 (£75,000) and ordinary dividend payments were £143,000 (£114,000).

Turnbull Scott back in profit: interim raised

A taxable profit of £360,000, compared with a loss of £250,000, is reported by Turnbull Scott Holdings for the six months to September 30, 1980. Turnover for the period was over £1.2m higher at £6.68m.

The interim dividend is increased from 2p to 3p net—last year a total of 5p was paid although a loss of £284,000 was incurred.

The surplus this time was struck after finance costs of £123,000 (£268,000) and depreciation of £568,000 (£821,000).

Tax took £13,000 (£8,000), leaving stated earnings per £1 share of 34.76p (25.72p loss).

There was an attributable profit of £655,000 (£256,000 loss) after an extraordinary credit of £309,000 (nil), being the surplus on the disposal of ships.

The motor vessel Baxtergate was sold last month, providing a surplus over book value of approximately £155,000.

Decrease at Gnome Photo

TAXABLE profits of Gnome Photographic Products dropped from £197,746 to £133,071 for the half year to November 30, 1980, on lower sales of £700,245 compared with £788,648.

At the trading level, profits were down from £144,941 to £64,646. The pre-tax result included dividends and interest received of £68,425 (£60,179), but was struck last time after an associate's loss of £7,374.

Tax charge was £26,500 lower at £60,000 and profits on the sale of investments rose from £1,403 to £9,784. Earnings per 10p share decreased from 4.429p to 2.909p.

The directors say that in view of the present worldwide economic situation, they believe it would be unwise to attempt to forecast the year-end results.

Dunbar Group beats forecast with £0.56m

AN INCREASE of £157,911 to £562,552 in pre-tax profits is reported by Dunbar Group, banker, for 1980. This represents an increase of 39 per cent and a return of 35 per cent on shareholders' funds, which stood at £1.93m at December 31.

In the prospectus issued for the recent placing of the company's shares on the unlisted securities market on December 9, it was forecast that profits would be not less than £550,000.

The final dividend is 3.1p, making the total 6.2p (5.8p). This dividend is not payable in respect of the 100,000 shares issued on December 9. The dividends absorb £56,000 (£52,500).

There was a tax charge of £278,282 (£179,719) and retained profits for the year amounted to £228,270 (£172,422).

Mr. Michael Allsopp, the chairman, says although it is not possible to forecast results with any degree of certainty, all the main activities of the group are capable of expansion, and he is optimistic that its business will prosper over the years.

MINING NEWS

Anglo gold mines lose some of their shine

BY KENNETH MARSTON, MINING EDITOR

THE 1980 final dividends announced by the Transvaal gold mines in the Anglo American Corporation group together with the December quarter profit of all the group's South African gold mines make a mixed showing.

But the major mine, Vaal Reefs, come out well. Its final of 700 cents (388p) is at the top end of expectations and brings the 1980 total to 1,320 cents compared with only 510 cents for the previous year.

Southvaal Holdings, which draws royalties from Vaal Reefs, has also done well with a final of 260 cents to make a total of 430 cents against a single payment of 140 cents for 1979. **Western Deep's** final of 400 cents is below many hopes, but makes a total of 800 cents against 320 cents.

South African Land and Exploration is paying only 20 cents to make a year's total of 55 cents against 40 cents for 1979; the latest final reflects the fact that the mine has heavy capital spending on hand, estimated at R3.5m for 1981.

The latest dividends are compared in the following table.

	Dec. 1980 cents	June 1980 cents	Dec. 1979 cents	June 1979 cents
East Dagga ...	15	*nil	10	*nil
SA Lands	20	*35	20	*20
Southvaal	260	*170	140	—
Vaal Reefs ...	700	*620	320	*190
Western Deep	400	*400	225	*95

* Interim.

The December quarter net profits reported by the Anglo American mines make a disappointing showing following the generally satisfactory level of those announced by the other major South African groups.

Some quite sharp reductions in earnings, compared with those of the previous quarter, have largely stemmed from a combination of reduced production and gold grades coupled with a rise in costs and a modestly lower average gold price of around $640 per ounce compared with about $650 in the September quarter.

GOLD PRICE RECEIVED (R per kilogramme—$ per ounce)—

	Dec. 31	Quarter ended Sept. 30
ERGO	R15,362 ($629)	R15,806 ($650)
Elandsrand	R15,511 ($645)	R15,824 ($650)
F.S. Geduld	R15,294 ($636)	R15,793 ($647)
F.S. Saaiplaas ...	R15,394 ($640)	R15,791 ($649)
President Brand...	R15,301 ($635)	R15,741 ($647)
President Steyn ..	R15,316 ($627)	R15,916 ($654)
S.A. Land	R15,224 ($633)	R15,815 ($650)
Vaal Reefs	R15,625 ($650)	R15,956 ($656)
Welkom	R15,322 ($637)	R15,745 ($647)
Western Deep ..	R15,730 ($632)	R15,844 ($648)
Western Holdings	R15,302 ($636)	R15,797 ($648)

Profits at the young Elandsrand mine have been additionally hit by the effects on production of a pressure burst—the dreaded "explosion" of rock that can occur in working places in deep mines as a result of the great pressures from above—and a subsequent methane gas explosion.

Not surprisingly, this resulted in many miners deciding to end work contracts. But the labour complement has now been restored and Elandsrand's production is expected to return to normal in the current quarter.

Exceptionally, **Western Deep** and **South African Land and Exploration** have raised earnings in the December quarter, but this has come about because of reduced taxation—a recoupment in the case of "Sallies"—arising from the mines' higher capital expenditure.

A change in the method of valuing uranium oxide stocks to "last-in, first-out" has had the effect of reducing the latest uranium profits of Western Deep and Vaal Reefs.

However, Vaal Reefs has still done very well from uranium in the December quarter and this together with the dividend now declared by **Southvaal** has raised total profits for the quarter.

It is interesting to note that in 1980 Vaal Reefs was the world's first gold mine to obtain a gross revenue of over R1bn (£555m) and that its gold production of 69,876 kg was also a world record.

	Dec. qtr. R000	Sept qtr R000	June qtr R000
East Dagga. ..	197	48	165
ERGO	24,389	27,168	22,960
Elandsrand	2,556	11,172	10,531
F.S Geduld	44,962	57,922	47,258
F.S Saaiplaas	5,629	9,403	5,737
Pres. Brand	40,560	60,280	43,002
Pres Steyn	33,773	42,971	34,142
S.A Land .	1,782	902	1,266
Vaal. Reefs ..	123,085	90,089	82,966
Welkom .	12,802	14,215	10,689
W Deep ..	73,047	65,635	61,519
W. Holdings .	29,643	36,271	31,493

RABBIT WARREN ASSAY VALUES

Australia's **Bond Corporation Holdings** reports that one of its first samples from the intriguing Rabbit Warren gold prospect at Leonora in Western Australia assayed a very rich 129 grammes (just over 4 troy ounces) gold per tonne of ore. It came from a narrow ironstained lode and channel samples in the same area gave only 4g, 10g and 11g, respectively.

Mr. Alan Birchmore, executive director, said that the corporation had several other prospects in the area and intended to prove up Rabbit Warren as quickly as possible with a view to establishing a common processing plant. However, he was unable to say when this might be.

Bond Corporation paid A$3m (£1.47m) to the Rabbit Warren partners, Cliffminex and Amber Gold, and is now acting as the operator. Bond and its 40 per cent-owned Endeavour Resources have a joint 25 per cent stake in the venture and are currently earning a further 25 per cent via exploration expenditure of A$5m.

Canada's major new gold mine

THE GO-AHEAD has been given for a C$143m (£50m) gold mine at the big Detour Lake gold deposit, 125-miles north-east of Timmins in Ontario. The partners are **Campbell Red Lake Mines** as the operator with 25 per cent, **Dome Mines** 25 per per cent and **Amoco Canada Petroleum** (owned by **Standard Oil of Indiana**) with 50 per cent.

The production stage is expected to be reached late in 1983 from an open-pit operation. The planned initial mining rate of 2,000 tonnes of ore per day should give an annual production of around 88,000 ounces of gold.

Mill capacity is to be raised to 4,000 tonnes per day in 1987 at which time an underground operation will be commenced. The latter will start at 2,000 tonnes per day and gradually increase as the open-pit is phased out.

At the 4,000 tonnes' mill rate gold production is expected to be some 175,000 ounces a year, second in Canada only to that of the Campbell mine. The newcomer's ore reserves are estimated at 27.7m tonnes with a low average gold grade of just under 4 grammes per tonne. This would be sufficient for a 20-year life and the potential for additional tonnage is regarded is excellent.

Geevor Tin's deferred pay plan accepted

WORKERS AT the Geevor tin mine in Cornwall have, after all, decided to accept a management plan that they should work an extra day each week with the additional pay being withhheld until the end of March.

The men voted by 305 to 15 to accept the 'work now, pay later' scheme which was put to them as a means of avoiding short-time working or redundancies.

Hit by low tin prices, Geevor lost £147,000 in the six months to September 30 and could go further into the red during the current half year.

Strata report hits shares

TESTING of the major zone of interest in the Woodada No. 3 well in the Perth Basin of Western Australia will take place early next week according to Strata Oil. Strata has a 26.95 per cent interest in the Woodada gas field.

One of three zones of interest was tested yesterday morning and recovered heavily gas-cut mud. However, the market was hoping for oil or gas flows and disappointment with the initial testing left Strata's shares 22p down at 178p yesterday.

SHARE STAKES

Central Manufacturing and Trading Group—Caparo group acquired through the market 230,000 shares at 51.25p. Holding now totals 5.68m shares (21.5 per cent).

Kuala Lumpur Kepong Behad—Batu Kawan Berhad has increased its holding from 36.95 per cent to 37.47 per cent by an additonal purchase of 867,000 shares.

Winterbottom Trust—Prudential Corporation has acquired 10,000 ordinary making holding 451,800 (9.41 per cent).

Brownlee and Co.—Globe Investment Trust has acquired 200,000 ordinary making holding 1.03m shares (9.65 per cent).

Burmah Oil Company—Kuwait Investment Office has acquired 275,000 ordinary making holding 8.84m (6.14 per cent).

BIDS AND DEALS

Godfrey Davis rental merger given go-ahead

BY DAVID CHURCHILL

THE £22m agreed takeover of Godfrey Davis's short-term car rental activities by **Europcar**, the subsidiary of the French **Renault** car group, was yesterday given the go-ahead by the Monopolies Commission.

But the Commission also sought assurances from Renault that it would trade at "arms length" with the new merged car rental company. Renault had given such assurances to the Commission, Mrs. Sally Oppenheim, Minister for Consumer Affairs, said yesterday.

Mrs. Oppenheim said that the Commission had concluded that "there was some possibility of anti-competitive conduct in the supply of cars in the UK." But she added that, in the Commission's view, the "scale would be too small to have a significant impact on competition in that market."

Nonetheless, *Renault was still* asked to give the assurances that it would not provide cars or spares at preferential rates to the new merged company.

The Commission also acknowledged that there might still be some slight loss of sales by domestic car manufacturers if the new car rental company bought Renault cars. But the Commission was unable to point to any specific impact on employment resulting from this.

The Commission also believed that there was "an enhanced prospect of the future expansion of Godfrey Davis's present network, which could provide a considerable number of new jobs."

Although the Commission unanimously concluded that the merger would not be against the public interest, Mrs. Oppenheim has asked the Director General of Fair Trading to keep the merger under review and to discuss with Renault the assurances it has given.

Godfrey Davis is Britain's longest established car rental opeartor and has a total fleet of more than 10,000 vehicles. Although Europcar is believed to be the largest car rental operator in Europe, it was comparatively small in the UK with under 500 vehicles before the takeover.

The proposed merger had been referred to the Commission because of concern that a major car manufacturer was for *the first time* taking a direct stake in a UK car rental business.

In the first half of its present financial year, Godfrey Davis's pre-tax profits fell from £4.37m to £2.81m on turnover up from £57.07m to £59.22m.

Godfrey Davis's remaining activities are car distribution, retailing, long-term leases, and caravan sales and rentals. The share price yesterday rose 11p to 160p.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims—Burt Boulton, J. and J. Dyson.

Finals—Olympia (Redaere), Piccadilly Theatre.

FUTURE DATES

Interims—

Calcutta Electric Supply Corp. (India) ..... Jan. 28

Hallite ..... Jan. 28

Vibroplant ..... Feb. 2

Finals—

Bertrams ..... Jan. 27

Panther makes £455,000 property acquisitions

Panther Securities is paying around £455,000 for various shop properties in Bristol, London and Halifax. The sum will be paid in cash, being the major part of a new £500,000 loan facility that has been provided by the company's bankers.

The company has contracted to purchase two parades totalling 30 shops and maisonettes at Hartcliffe, Bristol, which are held on two ground leases from Bristol Corporation. One lease has 75 years unexpired at £1,900 per annum exclusive and the other has 84 years unexpired at £1,800 per annum exclusive, with both rents fixed throughout the term.

The parades are virtually fully let on full repairing and insuring leases and produce a net income after ground rents of some £57,000 per annum. The total cost of this investment will be approximately £375,000 to show an intial yield in excess of 15 per cent per annum.

The company will in due course be seeking long term finance on the Bristol property to enable it to be retained as a permanent investment.

Panther has also contracted to purchase the freehold shop investment at 43, Berwick Street, London, for £62,500 and a freehold parade of 5 lock-up shops at Sowerby Bridge, Halifax, for some £18,000.

IRISH BRIDGE CALLS OFF TAKE-OVER

The directors and shareholders of **PX Nuclear** have been formally advised by **Irish Bridge** that they are unable to proceed with the proposed takeover of PX Nuclear. No reasons have been given.

Amber Day buys more Rosgill

Vickers da Costa bought 200,000 shares in **Rosgill** yesterday on behalf of Charterhouse Japhet as an associate of **Amber Day**. Vickers paid 28½p cum-dividend.

It was announced earlier in the week that Amber Day and former Rosgill chairman, Mr. J. L. Ingles were launching a bid for Rosgill through a private company, Lawncast. The bid is priced at 27p a share. Lawncast has already got acceptances accounting for 58 per cent of Rosgill's capital. This includes a 31.75 per cent holding from ICFC and a 22 per cent holding from Mr. Ingles.

If the bid goes through Amber Day will control 78 per cent of Rosgill through a similar holding in Lawncast with Mr. Ingles holding the balance.

ASSOCIATES DEALS

Cazenove and Co announce that on January 21, 1981 they purchased on behalf of Tarmac 17,500 Thomas Witter ordinary shares at 54p.

Lazard Securities—Subsidiary of Lazard Brothers, on January 21, 1981 bought on behalf of discretionary investment clients 100,000 United Dominions Trust at 52p.

BANK RETURN

	Wednesday January 21 1981	Increase (+) or Decrease (—) for week
BANKING DEPARTMENT		
Liabilities	£	£
Capital	14,553,000	—
Public Deposits	31,821,008	+ 1,145,719
Bankers Deposits	415,471,225	— 45,107,007
Reserve & other Accounts	2,049,687,224	+1,391,450,707
	2,511,532,457	+1,347,489,419
ASSETS		
Government Securities	421,580,856	— 103,225,000
Advances & other Accounts	1,561,582,862	+1,409,700,934
Premises Equipment & other Secs.	514,499,952	+ 44,886,807
Notes	13,555,962	— 3,863,030
Coin	312,825	— 10,292
	2,511,532,457	+1,347,489,419
ISSUE DEPARTMENT		
Liabilities	£	£
Notes Issued	10,100,000,000	— 75,000,000
In Circulation	10,086,444,038	— 71,136,970
In Banking Department	13,555,962	— 3,863,030
ASSETS		
Government Debt	11,015,100	—
Other Government Securities	7,104,222,121	— 640,337,663
Other Securities	2,984,762,779	+ 665,337,663
	10,100,000,000	— 75,000,000

LONDON TRADED OPTIONS

(Jan. 22 Total contracts 988)

Option	Ex'rcise price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP	390	30	38	46	—	56	2	386p
BP	420	19	35	34	1	44	1	"
BP	460	8	10	20	1	—	—	"
BP	500	4	3	12	—	—	—	"
Com. Union	130	21	—	23	—	26	2	146p
Com. Union	140	13	40	16	70	20	—	"
Com. Union	160	4	—	7	5	10	—	"
Cons. Gold	460	55	—	68	2	33	—	483p
Cons. Gold	500	—	—	45	—	60	1	"
Cons. Gold	538	14	5	—	—	—	—	"
Cons. Gold	550	—	—	23	—	38	6	"
Cons. Gold	688	2	—	3	10	—	—	"
Courtaulds	50	9	—	12	—	15	4	58p
Courtaulds	60	3	5	7	4	11	—	"
Courtaulds	70	1½	30	4	—	—	—	"
GEC	460	145	10	—	—	—	—	590p
GEC	550	70	21	92	—	113	—	"
GEC	600	37	7	62	23	83	3	"
GEC	650	19	26	57	86	—	—	"
Grand Met.	140	19	1	27	—	32	—	156p
Grand Met.	160	6	25	16	4	21	—	"
ICI	280	22	—	32	4	40	—	284p
ICI	300	12	46	22	4	29	—	"
ICI	330	5	21	12	4	—	—	"
Land Sec.	330	54	2	63	—	64	—	370p
Land Sec.	360	30	17	41	—	34	1	"
Land Sec.	390	15	5	25	—	—	—	"
Marks & Sp.	110	12	1	17	—	24	—	114p
Marks & Sp.	120	6	5	11½	1	18	—	"
Shell	420	36	—	50	1	62	—	"
Shell	460	17	27	26	—	36	—	446p
Shell	500	9	15	17	—	—	—	"
Shell	550	3	2	9	—	—	—	"
Totals			399		218		19	

Option	Ex'rcise price	February Closing offer	February Vol.	May Closing offer	May Vol.	August Closing offer	August Vol.	Equity close
Barclays B'k	460	2	—	8	—	18	1	395p
Imperial Gp.	70	7½	—	8½	27	11	—	75p
Lasmo	700	20	4	60	—	87	—	672p
Lasmo	750	5	8	35	—	62	—	"
Lasmo	800	1½	—	23	—	45	6	"
Lonrho	64	34½	3	—	—	—	—	96p
Lonrho	90	—	—	16	1	21	—	"
Lonrho	94	7½	10	—	—	—	—	"
Lonrho	100	—	—	9	11	13½	—	"
Lonhro	104	3	156	—	—	—	—	"
Lonhro	110	—	—	5	51	7½	6	"
Lonhro	114	1½	9	—	—	—	—	"
P. & O.	110	7½	14	15	—	17	—	114p
P. & O.	120	2½	16	8	—	13½	—	"
P. & O.	130	1	—	5	—	10	4	"
Racal Elec.	300	21	1	38	—	51	—	310p
Racal Elec.	330	7	—	23	14	35	—	"
Racal Elec.	360	1	4	14	—	25	—	"
RTZ	414	10	3	27	—	—	—	396p
RTZ	454	1½	2	12	—	—	—	"
RTZ	500	—	—	—	—	11	2	"
Totals			229		104		19	

Gold mining companies administered by Anglo American Corporation

All companies are incorporated in the Republic of South Africa

Orange Free State

Reports of the directors for the quarter ended December 31 1980.

FREE STATE GEDULD

Free State Geduld Mines Limited

ISSUED CAPITAL: 10 440 000 units of stock of 50 cents each

	Quarter ended Dec. 1980	Quarter ended Sept. 1980	Year ended Sept. 1980
OPERATING RESULTS			
GOLD			
Area mined—square metres 000s	144	141	542
Tons milled 000s	746	799	2 959
Yield—g/t	9.50	9.58	11.50
Production—kg	7 085	7 653	34 036
Cost—R/m² mined	220.37	218.11	210.38
—R/ton milled	42.69	38.60	38.53
—R/kg produced	4 494	4 030	3 360
Joint Metallurgical Scheme (See Summary)			
Slimes delivered			
Tons 000's	592	623	2 491
Head grade:			
gold—g/t	0.46	0.47	0.49
uranium—kg/t	0.09	0.09	0.09
sulphur—per cent	0.92	0.93	0.99
PRICE RECEIVED ON SALES			
Gold—R/kg	15 294	15 793	13 804
—$/oz	636	647	537
FINANCIAL RESULTS	R000	R000	R000
Gold—Revenue	109 148	122 594	479 162
—Costs	31 844	30 844	114 024
—Profit	77 304	91 750	365 138
Joint Metallurgical Scheme profit	1 553	1 499	5 807
Net sundry income	2 424	1 929	7 547
Profit before taxation and State's share of profit	81 281	95 178	378 492
Provision for taxation and State's share of profit	36 319	37 255	190 073
Profit after taxation and State's share of profit	44 962	57 923	188 419
Deduct:			
Appropriation for capital expenditure			87 303
Dividend—interim			49 590
—final			49 590
Retained profit for the year			1 936
Capital expenditure	20 574	38 212	86 569
Tonnage treated by Welkom Gold Mine on a cost plus service charge basis	65 700	52 821	52 821
SHAFT SINKING	metres	metres	metres
No 5 main shaft			
Advance	33.3	33.3	323.5
Final Depth	1 771.1	1 737.8	1 737.8
Station cutting	625.9	315.3	1 780.3
No. 5 ventilation shaft			
Advance	—	—	40.9
Final Depth	1 776.1	1 776.1	1 776.1
Station cutting	—	—	527.8

DEVELOPMENT

	Advance metres	Sampled metres	Channel width cm	Gold g/t	Gold cm.g/t	Uranium kg/t	Uranium cm.kg/t
Shaft area							
Basal Reef							
No. 1	2 818	254	19.5	37.18	725	0.32	6.25
No. 2	3 087	286	14.9	84.97	1 266	0.68	10.16
No. 3	4 479	350	21.6	33.19	717	0.69	14.99
No. 4	719	58	43.8	191.48	8 387	0.41	18.00
No. 7	2 589	368	29.5	26.68	787	0.46	13.61
No. 9	3 039	112	9.3	77.31	719	1.92	17.87
Philippi No. 414 tribute area	254	—	—	—	—	—	—
Quarter ended December 1980	16 985	1 428	21.9	52.88	1 158	0.57	12.46
Quarter ended Sept. 1980	16 955	775	20.4	54.28	1 107	0.68	13.78
Year ended Sept. 1980	63 346	4 230	23.9	52.64	1 258	0.56	13.49
Leader reef							
No. 1	237	104	67.8	3.60	244	0.23	15.48
No. 2	130	54	288.5	2.60	751	0.12	35.75
No. 4	1 101	358	159.9	2.57	411	0.07	11.88
Quarter ended Dec. 1980	1 468	716	156.3	2.64	412	0.09	14.20
Quarter ended Sept. 1980	1 563	670	167.6	2.73	457	0.09	14.90
Year ended Sept. 1980	4 565	1 936	134.5	3.32	446	0.12	16.18
Kimberley reef							
No. 7	338	250	201.9	0.71	143	0.03	6.64
No. 9	135	—	—	—	—	—	—
Quarter ended Dec. 1980	473	250	201.9	0.71	143	0.03	6.64
Quarter ended Sept. 1980	364	254	165.6	11.14	1 845	0.06	9.19
Year ended Sept. 1980	1 577	590	181.7	10.11	1 837	0.07	12.00
Shaft area							
Elsburg reef							
No. 4							
Quarter ended December 1980	73	48	193.3	0.57	111	0.02	3.35
Quarter ended September 1980	47	22	263.6	1.60	455	0.01	1.82
Year ended September 1980	139	92	202.3	1.66	336	0.01	2.61
Area under tribute from Western Holdings							
Basal reef							
Quarter ended December 1980	47	42	221.9	1.80	399	0.02	3.47
Quarter ended September 1980	41	36	197.5	0.76	151	0.01	1.56
Year ended September 1980	152	136	234.5	2.75	644	0.02	4.21
Leader reef							
Quarter ended December 1980	73	66	208.9	1.64	342	0.03	5.71
Quarter ended September 1980	23	10	212.8	1.64	350	0.02	4.75
Year ended September 1980	23	10	212.8	1.64	350	0.02	4.75

DIVIDEND
The final dividend of 475 cents a share in respect of the year ended September 30 1980 was declared on October 23 1980 payable to members registered on November 7 1980 and was paid on December 12 1980.

CAPITAL EXPENDITURE COMMITMENTS
Orders placed and outstanding on capital contracts as at December 31 1980 totalled R25 592 000.

For and on behalf of the board
G. LANGTON, G. S. YOUNG — Directors

January 23 1981

PRESIDENT STEYN

President Steyn Gold Mining Company Limited and its wholly-owned subsidiary, Video Mining Company Limited

ISSUED CAPITAL: 14 566 400 shares of 50 cents each

	Quarter ended Dec. 1980	Quarter ended Sept. 1980	Year ended Sept. 1980
OPERATING RESULTS			
GOLD			
Area mined—square metres 000's	187	196	711
Tons milled 000's	972	1 033	3 779
Yield—g/t	6.50	6.60	6.91
Production—kg	6 318	6 816	26 095
Cost—R/m² mined	188.83	177.93	174.89
—R/ton milled	36.33	33.76	32.92
—R/kg produced	5 589	5 116	4 768
Joint Metallurgical Scheme (See Summary)			
Slimes delivered			
Tons 000's	1 511	1 224	4 943
Head grade			
gold—g/t	0.52	0.55	0.62
uranium—kg/t	0.09	0.10	0.11
sulphur—per cent	0.79	0.76	0.78
PRICE RECEIVED ON SALES			
Gold—R/kg	15 316	15 916	14 227
—$/oz	637	654	560
FINANCIAL RESULTS	R000	R000	R000
Gold—Revenue	94 669	112 158	377 893
—Costs	35 311	34 874	124 421
—Profit	59 358	77 284	253 472
Joint Metallurgical Scheme profit	2 629	2 452	9 888
Net sundry income	4 727	5 420	17 519
Profit before taxation and State's share of profit	66 714	85 156	280 879
Provision for taxation and State's share of profit	32 941	42 185	149 017
Profit after taxation and State's share of profit	33 773	42 971	131 862
Deduct:			
Appropriation for capital expenditure			31 748
Dividend—Interim			40 786
—Final			56 081
Retained profit for the year			3 247
Capital expenditure	9 477	12 886	31 625
Tonnage milled and treated for President Brand on a cost plus service charge basis	—	—	47 300

PRESIDENT STEYN—Continued

	Quarter ended Dec. 1980	Quarter ended Sept. 1980	Year ended Sept. 1980
SHAFT SINKING	metres	metres	metres
No. 4 sub-vertical shaft system			
Advance	—	66.3	137.8
Depth to date	1 175.2	1 175 2	1 175.2
Station cutting	655.9	320.0	1 732.1

DEVELOPMENT

	Advance metres	Sampled metres	Channel width cm	Gold g/t	Gold cm.g/t	Uranium kg/t	Uranium cm.kg/t
Shaft area							
Basal reef							
No. 1	779	220	15.0	54.67	820	0.69	10.30
No. 2	885	82	51.7	35.88	1 855	0.64	33.27
No. 4	3 664	320	60.5	23.98	1 451	0.34	20.76
Video lease area	913	188	101.4	34.04	3 452	0.18	18.46
Quarter ended December 1980	6 241	810	56.8	31.43	1 785	0.33	18.65
Quarter ended September 1980	6 269	1 090	50.0	39.96	1 998	0.41	20.40
Year ended September 1980	26 753	4 654	51.8	40.79	2 113	0.40	20.74
Leader reef							
No. 1	954	598	139.2	4.02	559	0.21	29.57
No. 2	207	36	54.8	4.89	268	0.13	7.37
No. 4	32	18	50.6	5.99	303	0.14	7.06
Video lease area	20	8	134.3	1.85	249	0.04	5.38
Quarter ended December 1980	1 213	660	132.1	4.03	533	0.21	27.45
Quarter ended September 1980	1 049	712	132.1	4.35	574	0.23	30.24
Year ended September 1980	4 038	2 390	130.5	4.00	522	0.22	28.06
"A" reef							
No. 1	1 487	224	19.5	22.77	444	0.59	11.46
No. 2	1 257	506	49.9	10.66	532	0.23	11.49
Quarter ended December 1980	2 744	730	40.6	12.44	505	0.28	11.48
Quarter ended September 1980	2 642	1 126	48.3	10.62	513	0.31	14.99
Year ended September 1980	7 098	2 622	58.7	11.35	666	0.31	18.34
Area under tribute to and developed by President Brand (not included above).							
Basal reef							
Quarter ended December 1980	284	6	11.0	51.36	565	0.42	4.65
Quarter ended September 1980	285	4	157.5	0.59	93	0.04	6.24
Year ended September 1980	1 124	160	23.9	71.34	1 705	0.67	16.06
Leader reef							
Quarter ended December 1980	68	—	—	—	—	—	—
Quarter ended September 1980	51	14	111.6	1.89	211	0.10	10.61
Year ended September 1980	102	46	125.4	2.44	306	0.13	15.68

DIVIDEND
The final dividend of 385 cents a share in respect of the year ended September 30 1980 was declared on October 23 1980 payable to members registered on November 7 1980 and was paid on December 12 1980.

CAPITAL EXPENDITURE COMMITMENTS
Orders placed and outstanding on capital contracts as at December 31 1980 totalled R12 845 000.

For and on behalf of the board
D. A. ETHEREDGE, G. S. YOUNG — Directors

January 23 1981

WELKOM

Welkom Gold Mining Company Limited

ISSUED CAPITAL: 12 250 000 shares of 50 cents each

	Quarter ended Dec. 1980	Quarter ended Sept. 1980	Year ended Sept. 1980
OPERATING RESULTS			
GOLD			
Area mined—square metres 000's	133	133	488
*Tons milled 000's	634	629	2 278
Yield—g/t	4.75	4.87	4.88
Production—kg	3 009	3 065	11 120
Cost—R/m² mined	147.38	142.71	140.57
—R/tons milled	30.92	30.17	30.05
—R/kg produced	6 514	6 192	6 156
Joint Metallurgical Scheme (See Summary)			
Slimes delivered			
Tons 000's	338	326	1 283
Head grade			
gold—g/t	0.70	0.70	0.70
uranium—kg/t	0.21	0.20	0.20
sulphur—per cent	0.37	0.37	0.40
PRICE RECEIVED ON SALES			
Gold—R/kg	15 322	15 745	14 154
—$/oz	637	647	554
FINANCIAL RESULTS	R000	R000	R000
Gold—Revenue	45 734	49 079	160 467
—Costs	19 601	18 980	68 460
—Profit	26 133	30 099	92 007
Joint Metallurgical Scheme profit	1 856	1 214	4 238
Net sundry income	943	806	2 691
Profit before taxation and State's share of profit	28 932	32 119	98 936
Provision for taxation and State's share of profit	16 130	17 904	54 244
Profit after taxation and State's share of profit	12 802	14 215	44 692
Deduct:			
Appropriation for capital expenditure			8 923
Dividend—interim			15 925
—final			18 375
Retained profit for the year			1 469
Capital expenditure	902	3 452	8 625

* Includes 65 700 tons of ore sent to Free State Geduld Mines Limited during the quarter for milling and treatment to utilise surplus mill capacity at that mine.

DEVELOPMENT

	Advance metres	Sampled metres	Channel width cm	Gold g/t	Gold cm.g/t	Uranium kg/t	Uranium cm.kg/t
Shaft area							
Basal reef							
No. 1	1 623	142	13.6	70.00	952	1.06	14.47
No. 2	1 491	168	19.3	72.33	1 396	1.11	21.51
No. 3	460	8	8.0	82.25	658	0.86	6.85
Quarter ended Dec. 1980	3 574	318	16.5	71.45	1 179	1.09	18.00
Quarter ended Sept. 1980	3 520	496	11.1	70.99	788	1.04	11.57
Year ended Sept. 1980	13 703	2 628	13.2	53.18	702	0.83	11.01
"B" reef							
No. 2							
Quarter ended Dec. 1980	—	—	—	—	—	—	—
Quarter ended Sept. 1980	27	—	—	—	—	—	—
Year ended Sept. 1980	131	84	100.4	1.11	111	0.05	4.98
Leader reef							
No. 1	111	40	95.8	1.51	145	0.15	14.37
No. 2	261	158	65.6	2.84	186	0.16	10.74
No. 3	659	226	100.7	4.19	422	0.24	23.75
Quarter ended Dec. 1980	1 031	424	87.2	3.53	308	0.21	18.02
Quarter ended Sept. 1980	1 069	684	105.3	2 65	279	0.15	15.36
Year ended Sept. 1980	3 412	1 884	111.6	3.50	391	0.20	22.29
Intermediate reef							
No. 2							
Quarter ended Dec. 1980	82	16	67.4	1.23	83	0.61	41.13
Quarter ended Sept. 1980	84	28	49.0	1.92	94	0.62	30.26
Year ended Sept. 1980	308	136	49.7	1.71	85	0.57	28.42

DIVIDEND
The final dividend of 150 cents a share in respect of the year ended September 30 1980 was declared on October 23 1980 payable to members registered on November 7 1980 and was paid on December 12 1980.

CAPITAL EXPENDITURE COMMITMENTS
Orders placed and outstanding on capital contracts as at December 31 1980 totalled R3 041 000.

MINING OF ERFDEEL/DANKBAARHEID AREA

FORMATION OF ENLARGED WESTERN HOLDINGS COMPLEX
In a circular dated December 18 1980 details of the proposals were conveyed to members, and a general meeting is to be held on January 29 1981, following the annual general meeting, to deal with certain matters as they affect the company in regard to the implementation of the scheme.

For and on behalf of the board
G. LANGTON, G. S. YOUNG — Directors

January 23 1981

PRESIDENT BRAND

President Brand Gold Mining Company Limited

ISSUED CAPITAL: 14 040 000 units of stock of 50 cents each

	Quarter ended Dec. 1980	Quarter ended Sept. 1980	Year ended Sept. 1980
OPERATING RESULTS			
GOLD			
Area mined—square metres 000's	154	166	624
*Tons milled 000's	836	840	3 328
Yield—g/t	8.22	9 01	9.18
Production—kg	6 875	7 570	30 544
Cost—R/m² mined	199.19	155.60	163.20
—R/ton milled	36.69	30 75	30.60
—R/kg produced	4 462	3 412	3 334
Joint Metallurgical Scheme (See Summary)			
Slimes delivered			
Tons 000's	717	988	3 840
Head grade:			
gold—g/t	0.72	0.54	0.50
uranium—kg/t	0.15	0.12	0.11
sulphur—per cent	0.87	0.97	0.99
PRICE RECEIVED ON SALES			
Gold—R/kg	15 301	15 741	13 961
—$/oz	636	647	546
FINANCIAL RESULTS	R000	R000	R000
Gold—Revenue	104 504	121 595	433 416
—Costs	30 675	25 830	101 839
—Profit	73 829	95 765	331 577
Joint Metallurgical Scheme profit	7 707	3 816	13 227
Net sundry expenditure	1 795	2 766	9 590
Profit before taxation and State's share of profit	79 741	96 815	335 214
Provision for taxation and State's share of profit	39 241	36 527	151 836
Profit after taxation and State's share of profit	40 500	60 288	183 378
Deduct:			
Appropriation for capital expenditure			83 127
Dividend—interim			44 928
—final			52 650
Retained profit for the year			2 673
Capital expenditure:			
—Mine	11 712	17 806	32 951
—Joint Metallurgical Scheme	2 312	14 526	47 081
CONSOLIDATED PROFIT			
Consolidated profit after taxation and State's share of profit of the company and its subsidiary, Free State Saaiplaas Gold Mining Company Limited—after allowing for minority shareholders' interest	43 767	64 993	197 459
*Tons milled includes ore milled and treated by President Steyn Gold Mining Company Limited at cost plus a service charge	—	—	47 300
SHAFT SINKING			
No. 5 Shaft			
Advance—metres	—	—	60.3
Depth to date—metres	60.3	60.3	60.3

DEVELOPMENT

	Advance metres	Sampled metres	Channel width cm	Gold g/t	Gold cm.g/t	Uranium kg/t	Uranium cm.kg/t
Shaft area							
Basal reef							
No. 1	360	—	—	—	—	—	—
No. 2	2 723	270	30.8	49.35	1 520	0.29	9.06
No. 3	810	88	13.2	134.39	1 774	1.00	13.24
No. 4	3 880	268	114.8	14.98	1 720	0.05	5.70
Quarter ended December 1980	7 773	626	64.2	25.56	1 641	0.13	8.21
Quarter ended September 1980	8 302	768	84.3	20.11	1 695	0.08	6.76
Year ended September 1980	30 981	3 124	94.6	19.98	1 890	0.09	8.38
Leader reef							
No. 1	700	186	149.6	3.87	579	0.10	14.39
No. 2	171	98	76.4	4.27	326	0.12	9.30
No. 3	1 474	454	110.8	5.67	628	0.21	23.40
Quarter ended December 1980	2 345	738	116.0	4.97	576	0.17	19.26
Quarter ended September 1980	2 182	766	103.1	4.34	447	0.17	17.84
Year ended September 1980	9 269	3 538	112.4	4.14	465	0.16	18.40
In addition, area under tribute from President Steyn							
Basal Reef							
No. 2	76	—	—	—	—	—	—
No. 3	208	6	11.0	51.36	565	0.42	4.65
Quarter ended December 1980	284	6	11.0	51.36	565	0.42	4.65
Quarter ended September 1980	285	4	157.5	0.59	93	0.04	6.24
Year ended September 1980	1 124	160	23.9	71.34	1 705	0.67	16.06
Leader Reef							
No. 3							
Quarter ended December 1980	68	—	—	—	—	—	—
Quarter ended September 1980	51	14	111.6	1.89	211	0.10	10.61
Year ended September 1980	102	46	125.4	2.44	306	0.13	15.68
Shaft area							
A reef							
No. 3							
Quarter ended December 1980	106	102	55.8	13.15	734	0.84	46.73

DIVIDENDS
The final dividend of 375 cents a unit of stock in respect of the year ended September 30 1980 was declared on October 23 1980 payable to members registered on November 7 1980 and was paid on December 12 1980.

CAPITAL EXPENDITURE COMMITMENTS
Orders placed and outstanding on capital contracts as at December 31 1980 totalled R17 210 000 of which R2 404 000 was in respect of the metallurgical complex.

FREE STATE SAAIPLAAS NO. 3 SHAFT FINANCING
The loan facilities granted to Free State Saaiplaas Gold Mining Company Limited in equal proportions by this company and Anglo American Corporation of South Africa Limited until December 31, 1980, have been increased from R16 million to R30 million and the period extended to March 31 1981.

For and on behalf of the board
D. A. ETHEREDGE, G. S. YOUNG — Directors

January 23 1981

JOINT METALLURGICAL SCHEME

SUMMARY	Quarter ended Dec. 1980	Quarter ended Sept. 1980	Year ended Sept. 1980
(i) Pyrite flotation plants			
slimes treated—tons	4 526 000	4 604 000	18 174 000
(ii) Uranium plant			
slimes treated—tons	1 492 000	1 441 000	4 836 000
concentrate treated—tons	103 000	102 000	411 000
uranium oxide produced—kg	265 553	257 688	854 720
(iii) Acid plant			
acid produced—tons	85 998	67 404	325 254
(iv) Gold plant			
calcine treated—tons	74 172	64 209	286 308
gold produced—kg	611	487	2 265
(v) Profit—estimated R000's	16 933	11 557	42 149

NOTE

DEVELOPMENT

Development values represent actual results of sampling, no allowances having been made for adjustments necessary in estimating ore reserves.

The Transvaal Group's results appear on another page in this newspaper.

Copies of these reports will be available on request from the offices of the Transfer Secretaries. Charter Consolidated Limited, P.O. Box 102, Charter House, Park Street, Ashford, Kent, TN24 8EQ.

LONDON OFFICE: 40 HOLBORN VIADUCT, EC1P 1AJ

FREE STATE SAAIPLAAS

Free State Saaiplaas Gold Mining Company Limited

ISSUED CAPITAL: 28 100 000 shares of R1 each

	Quarter ended Dec. 1980	Quarter ended Sept. 1980	Year ended Sept. 1980
OPERATING RESULTS			
GOLD			
Area mined—square metres 000's	71	75	284
Tons milled 000's	500	510	1 661
Yield—g/t	2.45	2.69	2.51
Production—kg	1 223	1 375	4 665
Cost—R/m² mined	193.08	186.15	154.32
—R/ton milled	27.42	27.37	26.39
—R/kg produced	11 209	10 153	9 395
Joint Metallurgical Scheme (See Summary)			
Slimes delivered			
Tons 000's	638	653	2 314
Head grade			
gold—g/t	0.25	0.25	0.28
uranium—kg/t	0.16	0.15	0.17
sulphur—per cent	0.64	0.65	0.68
PRICE RECEIVED ON SALES			
Gold—R/kg	15 394	15 791	14 162
—$/oz	640	649	557
FINANCIAL RESULTS	R000	R000	R000
Gold—Revenue	18 400	22 257	67 210
—Costs	13 709	13 961	43 826
—Profit	4 691	8 296	23 384
Joint Metallurgical Scheme profit	1 781	1 089	3 806
Net sundry income	57	18	948
Profit before taxation and State's share of profit	6 529	9 403	28 138
Provision for taxation and State's share of profit	—	—	—
Profit after taxation and State's share of profit	6 529	9 403	28 138
Capital expenditure	10 611	10 919	49 019

DEVELOPMENT

	Advance metres	Sampled metres	Channel width cm	Gold g/t	Gold cm.g/t	Uranium kg/t	Uranium cm.kg/t
Shaft area							
Basal reef							
No. 2	1 048	28	49 9	16.67	832	0.35	17.31
No. 3	5 983	126	68.4	18.11	1 239	0.39	26 56
Quarter ended December 1980	7 031	154	65.1	17.90	1 165	0.38	24.88
Quarter ended September 1980	7 331	368	89.0	11.18	995	0.36	31.98
Year ended September 1980	17 910	1 420	95.1	9.96	947	0.31	29.10
Leader reef							
No. 2							
Quarter ended December 1980	833	292	139.5	2.24	313	0.18	24.43
Quarter ended September 1980	785	346	105.8	3.02	319	0.22	23.53
Year ended September 1980	3 010	1 320	110.6	3.36	372	0.19	20.59
"B" reef							
No. 2							
Quarter ended December 1980	168	108	100.0	0.49	49	0.05	5.16
Quarter ended September 1980	173	18	88.4	0.11	10	0.03	3.06
Year ended September 1980	248	36	110.1	0.19	21	0.04	4.46
"A" reef							
No. 3							
Quarter ended December 1980	—	—	—	—	—	—	—
Quarter ended September 1980	30	—	—	—	—	—	—
Year ended September 1980	50	—	—	—	—	—	—

CAPITAL EXPENDITURE COMMITMENTS
Orders placed and outstanding on capital contracts as at December 31 1980 totalled R8 033 000.

FREE STATE SAAIPLAAS NO. 3 SHAFT FINANCING
The loan facilities granted to the company in equal proportions by President Brand Gold Mining Company Limited and Anglo American Corporation of South Africa Limited until December 31 1980, have been increased from R16 million to R30 million and the period extended to March 31 1981.

MINING OF ERFDEEL/DANKBAARHEID AREA

FORMATION OF ENLARGED WESTERN HOLDINGS COMPLEX
In a circular dated December 18 1980 details of the proposals were conveyed to members, and a general meeting is to be held on January 29 1981, following the annual general meeting, to deal with certain matters as they affect the company in regard to the implementation of the scheme.

For and on behalf of the board
D. A. ETHEREDGE, G. S. YOUNG — Directors

January 23 1981

WESTERN HOLDINGS

Western Holdings Limited

ISSUED CAPITAL: 7 496 376 shares of 50 cents each

	Quarter ended Dec. 1980	Quarter ended Sept. 1980	Year ended Sept. 1980
OPERATING RESULTS			
GOLD			
Area mined—square metres 000's	167	183	675
Tons milled 000's	835	843	3 297
Yield—g/t	8.02	8.64	8.83
Production—kg	6 694	7 285	29 097
Cost—R/m² mined	158.43	138.59	139.58
—R/ton milled	31.69	30.30	28.58
—R/kg produced	3 952	3 507	3 238
Joint Metallurgical Scheme (See Summary)			
Slimes delivered			
Tons 000's	1 841	1 085	4 426
Head grade			
gold—g/t	0.45	0.44	0.45
uranium—kg/t	0.09	0.09	0.09
sulphur—per cent	1.13	1.09	1.09
PRICE RECEIVED ON SALES			
Gold—R/kg	15 302	15 797	14 011
—$/oz	636	648	546
FINANCIAL RESULTS	R000	R000	R000
Gold—Revenue	101 421	117 485	415 045
—Costs	26 457	25 545	94 214
—Profit	74 964	91 940	320 831
Joint Metallurgical Scheme profit	1 407	1 487	5 183
Net sundry income	2 511	7 311	16 644
Profit before taxation and State's share of profit	78 882	100 738	342 658
Provision for taxation and State's share of profit	49 239	64 467	219 140
Profit after taxation and State's share of profit	29 643	36 271	123 518
Deduct:			
Appropriation for capital expenditure			9 192
Dividend—interim			50 601
—final			61 845
Retained profit for the year			1 880
Capital expenditure	2 984	3 001	9 146

DEVELOPMENT

	Advance metres	Sampled metres	Channel width cm	Gold g/t	Gold cm.g/t	Uranium kg/t	Uranium cm.kg/t
Shaft area							
Basal reef							
No. 1	830	88	20.1	268 86	5 404	0.86	17.26
No. 2	1 356	52	38.0	115.26	4 380	0.35	13.25
No. 3	2 411	200	61.9	41.92	2 595	0.12	7.20
No. 4	2 060	146	13.4	64.40	863	0.70	9.33
Quarter ended December 1980	6 657	486	37.2	74.57	2 774	0.28	10.31
Quarter ended September 1980	7 321	524	28.6	41.12	1 176	0.38	10.84
Year ended September 1980	29 596	3 176	32.7	52.97	1 732	0.41	13 37
Leader reef							
No. 1	1 320	636	111.9	3.55	397	0.17	19.21
No. 2	1 084	306	143.5	4 40	631	0.12	17.45
No. 3	666	198	202 2	3.21	648	0.09	17.98
No. 4	279	56	28.8	4.58	132	0.24	6.89
Quarter ended December 1980	3 349	1 196	131.1	3.71	486	0.14	17.98
Quarter ended September 1980	2 840	854	125.3	2.95	369	0.12	15.03
Year ended September 1980	8 931	3 374	156.0	2.82	440	0.10	16.26
Area under tribute to and developed by Free State Geduld							
Basal reef							
Quarter ended December 1980	47	42	221.9	1.80	399	0.02	3.47
Quarter ended September 1980	41	36	197.5	0.76	151	0.01	1.56
Year ended September 1980	152	136	234.5	2.75	644	0.02	4.21
Leader reef							
Quarter ended December 1980	73	66	208.9	1.64	342	0.03	5.71
Quarter ended September 1980	23	10	212.8	1.64	350	0.02	4.75
Year ended September 1980	23	10	212.8	1.64	350	0.02	4.75

DIVIDEND
The final dividend of 825 cents a share in respect of the year ended September 30, 1980, was declared on October 23, 1980, payable to members registered on November 7, 1980, and was paid on December 12, 1980.

CAPITAL EXPENDITURE COMMITMENTS
Orders placed and outstanding on capital contracts as at December 31, 1980, totalled R2 661 000.

MINING OF ERFDEEL/DANKBAARHEID AREA

FORMATION OF ENLARGED WESTERN HOLDINGS COMPLEX
In a circular dated December 18, 1980, details of the proposals were conveyed to members, and a general meeting is to be held on January 29, 1981, following the annual general meeting, to deal with certain matters as they affect the company in regard to the implementation of the scheme.

For and on behalf of the board
G. LANGTON, G. S. YOUNG — Directors

January 23 1981

INTERNATIONAL COMPANIES and FINANCE

U.S. OIL RESULTS

Flat final quarter for Sohio

BY PAUL BETTS IN NEW YORK

STANDARD OIL of Ohio (Sohio), BP's U.S. subsidiary, and Mobil Corporation, have reported strong gains in profits for 1980 despite relatively flat final quarter earnings.

In the last quarter, Sohio's net earnings totalled $475.8m compared with $451m in the last quarter of 1979 on revenue of $2.98bn against $2.35bn previously. Per share profits were $1.93 against $1.86.

Net earnings for the year totalled $1.8bn or $7.37 a share compared with $1.2bn or $4.91 a share, in the previous year. Revenues were $11bn against $7.9bn in 1979.

Profits at Mobil, the second largest U.S. oil company, rose 5 per cent to $565m, or $2.66 a share, in the final quarter from $538m, or $2.55. But revenue was up 17 per cent, pointing to a squeeze on margins.

For all of 1980 Mobil's net earnings were $2.8bn, or $13.27 a share, an increase of 40 per cent on 1979, but well below the big gains that came a year ago when oil prices were soaring. In addition, it netted $459m from the sale of its stake in Belridge Oil Company. Revenue for the full year was $64bn, up from $48bn.

In large measure, results reflect Sohio's production of oil from its substantial Alaskan fields, which have now reached their maximum production rate of 1.5m barrels a day. The company's future quarterly earnings are also expected to remain flat in the near to medium-term as a result of the peaking in Sohio's production in Alaska.

Sohio's Alaskan production averaged 696,400 net barrels a day last year compared with 590,800 net barrels a day in 1979.

The company's capital expenditure this year will also increase from $1bn in 1980 to $1.5bn. Other large U.S. oil companies have recently announced substantial increases this year in capital expenditure including, among others, Exxon, which said it will increase capital and exploration spending by 35 per cent over last year to $11bn.

At Mobil, the strongest growth in the fourth quarter came from Mobil's foreign energy earnings, which were up 16 per cent. Domestic energy earnings were up 14 per cent because higher prices for oil and gas more than offset the impact of the controversial windfall profits tax.

However Mobil sustained a $56m drop in earnings from its non-energy business, mainly because of the poor performance of Montgomer yWard, its troubled retail store chain, which lost $9m, an $89m reverse on the 1979 performance.

Growth slows at Bank of America

By Our Financial Staff

PROFIT growth slowed in the final quarter for **BankAmerica Corporation**, holding company of Bank of America, the largest commercial bank in the world. Operating net profit was $160.8m or $1.09 a share, up 2 per cent from $157.6m or $1.07 a year earlier.

This brought annual operating net profit to $645m or $4.39, up 7.5 per cent from $600.2m.

Abbott and Pfizer show gains

BY TERRY BYLAND

SUCCESSFUL TRADING in the final quarter of 1980 enabled two companies with major positions in the health care industry to exceed Wall Street forecasts. Pfizer, which also has strong stakes in agricultural products and speciality chemicals, enjoyed higher profit margins in the final quarter, while Abbott Laboratories maintained its penetration of overseas markets which now contribute nearly one third of group earnings.

Net earnings for 1980 at Abbott gained 18 per cent to $214.4m or $3.46 a share, while sales, which turned sharply higher in the fourth quarter ended the year 19 per cent up at $2.04bn.

Earnings for the final quarter maintained the rate of the earlier part of the year to grow by 18 per cent to $64.2m, while sales jumped 38 per cent to $560.2m.

For the current year, Wall Street analysts have predicted sales growth of about 15 per cent, paced by overseas orders which already make up about 36 per cent of the group total, and a further rise in earnings to around the $4.00 a share mark.

Pfizer, based in New York, takes about 63 per cent of its profits from outside the U.S. The year ended with earnings 7 per cent ahead at $254.8m or $3.48 a share, on sales 10 per cent up at $3.03bn. Earnings also gained 10 per cent in the final quarter.

For 1981, analysts expect further sales growth of around 12 per cent and a modest rise in earnings to around $3.85 a share.

International Paper ahead

By David Lascelles in New York

INTERNATIONAL PAPER (IP), the largest paper company in the U.S., more than doubled its profits in the last quarter of 1980, because of tax and accounting reasons. Sales were virtually unchanged.

Net income was $77m, or $1.43 a share, up from $34m or 70 cents. For the whole year, IP earned $314m, or $5.97 a share, an increase of 14 per cent on 1979's $276m, or $5.73. Sales were $5bn, up from $4.5bn.

Apple Computer surge

BY OUR NEW YORK STAFF

APPLE COMPUTER, the small and fast-growing personal computer manufacturer which went public in a blaze of publicity at the end of last year, has opened its current fiscal year with almost trebled first quarter earnings.

Net earnings totalled $7.4m compared with $2.6m in the first quarter of the previous year, while income increased from $19.5m to $67.6m during the same periods.

Earnings reflected "strong continuing demand for the Apple 11 system and related peripheral and software products," Mr. Michael Scott, the company's president, said.

But he added that the company considered it unlikely that it would sustain this rate of sales growth in the second quarter.

He added that the outlook for the personal computer market both in the U.S. and abroad continues positive despite the current recessionary trends.

Caterpillar advances 15%

By Our Financial Staff

CATERPILLAR TRACTOR, the leading U.S. earthmoving equipment group, reported increased profits for 1980 yesterday, but indicated that volume was virtually unchanged.

Prifits in 1980 were $564.8m, an increase of 15 per cent over 1979. The per share increase was from $5.50 to $6.32. The 1980 result included $143.2m for the final quarter, a large gain over the $26.4m earned in the comparable quarter of 1979

Australian move on Massey

By James Forth in Sydney

THE AUSTRALIAN Merchant Bank, Capel Court Corporation, in which Samuel Montagu, the associate of Midland Bank of the UK, has a stake, is going ahead with a petition to wind up part of the Australian arm of Massey-Ferguson, the troubled Canadian agricultural machinery group.

Massey is believed to be confident that repayment of this debt will not jeopardise the C$720m worldwide rescue operation which the group's major lenders hammered out last week.

The lenders had requested that the Massey-Ferguson group defer all repayments of principal to all lenders throughout the world, pending finalisation of the plan. But Capel Court would not agree, and is taking its action because the local Massey company, Massey-Ferguson Finance (Australia) dishonoured $A3m (U.S.$2.4m) of bills of exchange, which matured on December 18 and were presented by holders for payment. The finance company had accepted the bills.

When they were dishonoured, Capel Court as the drawer, paid out the holders to "preserve the sanctity" of the Australian bills of exchage market.

Capel Court announced late last month that it had served a notice on the finance arm which provided for the winding up of the company for non-payment of debts to creditors.

Massey-Ferguson responded by moving to the courts to obtain the appointment of receiver-managers, who now have been appointed to the three Australian companies in the group — Massey-Ferguson Holding (Australia), Massey-Ferguson (Australia) and Massey-Ferguson Finance (Australia). Capel Court agreed to hold off until the receiver-managers could attend last week's meetings in London which finalised the rescue plan.

The receiver-managers have returned but Capel Court directors said they were going ahead with a petition to the Supreme Court of Victoria for the winding-up of Massey-Ferguson Finance because no satisfactory proposal for payment or for securing the A$3m had been submitted.

General Electric shows advance

BY OUR NEW YORK STAFF

GENERAL ELECTRIC the leading U.S. electrical equipment and electronics company, yesterday reported higher than expected fourth quarter earnings of $411m, up from $383m in the same quarter of 1979.

Earnings for the year totalled $1.15bn on revenues of $25bn, compared with earnings of $1.41bn on sales of $22.46bn the previous year. Final quarter per share earnings of $1.80 against $1.68 took the total for 1980 to $6.65 compared with $6.20.

Mr. Reginald Jones, the chairman who will retire in April and be replaced by Mr. John Welch, one of the company's three vice chairmen, said capital spending in 1980 was a record $1.93bn, up from $1.26bn in 1979.

Mr. Jones added that all the company's business sectors reported higher revenues last year and that operating margins were higher.

GE is currently committed to a major programme to expand its own electronics capabilities in an effort to increase substantially its presence in the high technology electronics field. GE's traditional business in the electrical equipment manufacturing field now accounts for less than half of the company's earnings. About 10 years ago, these businesses accounted for as much as 80 per cent of profits.

Under Mr. Welch, GE is expected to continue diversifying in new areas of business along the broad strategy lines adopted by Mr. Jones, who transformed the electrical equipment manufacturer into a conglomerate with a broad range of activities.

Westinghouse turnround

BY OUR NEW YORK STAFF

WESTINGHOUSE ELECTRIC, the large Pittsburgh-based power equipment manufacturing company, yesterday reported almost unchanged operating earnings in its fourth quarter. At the net level the figures show a dramatic turnround.

Fourth quarter net earnings totalled $106.9m compared with a $166.9m loss in the corresponding period in 1979. The 1979 loss reflected extraordinary charges resulting from a number of settlements in the company's complex uranium litigation totalling $222.9m.

Operating earnings in the 1979 quarter were $105.95m, or $1.24 a share. Per share earnings in the latest quarter were $1.25. Sales increased from $2.1bn in the last quarter of 1979 to $2.3bn this time.

Operating earnings for all last year advanced to $402.9m on revenues of $8.5bn from the $331.1m on revenues of $7.4bn achieved in 1979. Extraordinary losses $405m from Westinghouses's uranium settlements resulted in a final net loss of $74m for 1979. Per share operating earnings last year were $4.71 against $3.85.

The company said that it had encountered softness in demand for some of its products last year because of the downturn in the U.S. economy: "But this was more than offset by strong performance in many product lines, especially those related to defence, energy and services."

Dollar bond prices depressed

By Francis Ghilès

DOLLAR denominated Eurobonds fell back ⅜ of a point yesterday in what dealers described as mainly professional activity. This came as the result of the weakness in the New York market, itself the result of U.S. economic figures published on Wednesday.

Institutional investors remain on the sidelines, showing no desire either to sell or buy bonds.

Deutsche Mark foreign bonds slipped by ½ of a point yesterday. Swiss franc bonds improved by ½ of a point but all is not well in this sector. The 5¾ per cent bond to 1991 for the City of Stockholm which was managed by Nordfinanz Bank was undersubscribed.

Earlier this month a similar fate attended the issues for Oesterreichische Kontrollbank and Caisse Nationale des Telecommunications. The issue for the City of Stockholm was quoted at 96½ yesterday while the 5¾ per cent bond to 1991 for OKB and the 5¾ per cent bond to 1991 for CNT were both trading at 97½.

The deterioration in the Swiss franc bond sector is the result of higher U.S. interest rates and a stronger dollar together with higher term short-term deposit rates and an increase in the inflation rate in December in Switzerland. These factors have made coupons offered three weeks ago on new Swiss franc paper look unattractive.

The rise in coupons is reflected in the terms of the SwFr 100m five-year private placement being arranged for Sweden by Credit Suisse: it offers a coupon of 6¼ per cent. At the same time Dome Petroleum is offering SwFr 100m worth of bonds for 10 years with a coupon of 5¾ per cent and a price of par. Such terms look attractive in this case because of the relative scarcity of such U.S. corporate bonds in this sector.

AMERICAN QUARTERLIES

AIR PRODUCTS AND CHEMICAL	1980 $	1979 $
First quarter		
Revenue	366.41m	317.35m
Net profits	32.29m	31.03m
Net per share	1.13	1.09

ALBERTO-CULVER	1981 $	1980 $
First quarter		
Revenue	67.8m	48.3m
Net profits	1.13m	783,000
Net per share	0.23	0.19

AMERICAN ELECTRIC POWER	1980 $	1979 $
Fourth quarter		
Revenue	967m	831m
Net profits	77.7m	73.2m
Net per share	0.53	0.52
Year		
Net profits	348.6m	303.5m
Net per share	2.41	2.25

AMFAC	1980 $	1979 $
Fourth quarter		
Revenue	546.8m	456.8m
Net profits	24.45m	13.23m
Net per share	1.71	0.99
Year		
Revenue	1.92bn	1.7bn
Net profits	76.1m	51.78m
Net per share	5.27	3.87

AMSTED INDUSTRIES	1981 $	1980 $
First quarter		
Revenue	222m	226.9m
Net profits	15.24m	19.39m
Net per share	1.41	1.85

BECTON DICKINSON	1980 $	1979 $
First quarter		
Revenue	246.2m	211.8m
Net profits	17.7m	14.7m
Net per share	0.82	0.71

CESSNA AIRCRAFT	1981 $	1980 $
First quarter		
Revenue	251m	245.1m
Net profits	14m	8.3m
Net per share	0.74	0.45

DOMINION TEXTILE	1981 $	1980 $
Six months		
Revenue	396m	351.6m
Net profits	15.46m	12.19m
Net per share	1.58	1.39

DOVER CORPORATION	1980 $	1979 $
Fourth quarter		
Revenue	221.2m	189.4m
Net profits	19.45m	16.09m
Net per share	1.09	0.90
Year		
Revenue	835.2m	666.8m
Net profits	73.21m	57.07m
Net per share	4.10	3.20

DRAVO CORPORATION	1980 $	1979 $
Year		
Revenue	1.11bn	992.3m
Net profits	21.56m	28.18m
Net per share	2.54	3.47

DUKE POWER	1980 $	1979 $
Year		
Revenue	1.68bn	1.49bn
Net profits	311.09m	274.76m
Net per share	3.08	2.86

EX-CELL-O	1980 $	1979 $
Fourth quarter		
Revenue	285.6m	249.7m
Net profits	15.4m	13.3m
Net per share	1.49	1.31
Year		
Revenue	1.02bn	961.9m
Net profits	50.4m	54.2m
Net per share	4.91	5.31

HECLA MINING	1980 $	1979 $
Fourth quarter		
Revenue	16.1m	22.5m
Net profits	6.49m	9.77m
Net per share	0.93	1.40
Year		
Revenue	78.7m	64.1m
Net profits	31.73m	24.11m
Net per share	4.54	3.45

IMPERIAL CORPORATION OF AMERICA	1980 $	1979 $
Fourth quarter		
Net profits	11.3m	21.4m
Net per share	0.79	1.51
Year		
Net profits	40.7m	74.2m
Net per share	2.86	5.24

INTERLAKE	1980 $	1979 $
Fourth quarter		
Revenue	253.9m	287.4m
Net profits	19.37m	13.65m
Net per share	3.21	2.28
Year		
Revenue	1.06bn	1.10bn
Net profits	13.82m	39.74m
Net per share	2.29	6.66

LEAR SIEGLER	1981 $	1980 $
Second quarter		
Revenue	379.2m	340.2m
Net profits	19.05m	17.23m
Net per share	1.19	1.11
Six months		
Revenue	726.4m	661.3m
Net profits	33.09m	29.73m
Net per share	2.07	1.92

LOUISIANA LAND	1980 $	1979 $
Fourth quarter		
Revenue	305.1m	246.3m
Net profits	48.23m	44.31m
Net per share	1.26	1.17
Year		
Revenue	1.08bn	817m
Net profits	180.16m	169.04m
Net per share	4.74	4.45

3M	1980 $	1979 $
Fourth quarter		
Revenue	1.51bn	1.37bn
Net profits	174.4m	167.2m
Net per share	1.49	1.43
Year		
Revenue	6.08bn	5.44bn
Net profits	678m	655.2m
Net per share	5.78	5.59

PACIFIC GAS	1980 $	1979 $
Fourth quarter		
Revenue	1.5bn	1.24bn
Net profits	93.83m	75.72m
Net per share	0.80	0.71
Year		
Revenue	5.26bn	4.4bn
Net profits	415.6m	365.94m
Net per share	3.60	3.55

RAYTHEON	1980 $	1979 $
Fourth quarter		
Revenue	1.33bn	1.15bn
Net profits	68.4m	59m
Net per share	1.64	1.43
Year		
Revenue	5bn	4.35bn
Net profits	282.3m	240.3m
Net per share	6.60	5.83

ROBERTSHAW CONTROLS	1980 $	1979 $
Fourth quarter		
Revenue	92.1m	87.4m
Net profits	4.14m	3.21m
Net per share	1.11	0.82
Year		
Revenue	349m	327.3m
Net profits	10.18m	8.62m
Net per share	2.61	2.20

TIGER INTERNATIONAL	1980 $	1979 $
Fourth quarter		
Revenue	473.5m	276.3m
Net profits	17.48m	14.43m
Net per share	1.03	1.00
Year		
Revenue	1.58bn	925.5m
Net profits	42.38m	43.63m
Net per share	2.68	3.03

TRANSCANADA PIPELINES	1980 C$	1979 C$
Year		
Revenue	3.14bn	2.58bn
Net profits	102.46m	94.01m
Net per share	2.18	2.16

U.S. BANCORP	1980 $	1979 $
Fourth quarter		
Net profits	15.53m	13.33m
Net per share	1.08	0.94
Year		
Net profits	58.13m	52.51m
Net per share	4.07	3.69

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Thursday, February 12. Closing prices on January 22

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
CECA 11½ 88	100	91¼	91¾	−0⅛	0	13.36
CFE 13 87	75	†90¼	91	+0¼	−0½	15.28
Citicorp O/S Fin. 10 86	300	87⅛	87⅝	−0½	−0¼	13.37
Citicorp O/S Fin. 12 87	200	93½	94	−0⅛	−0⅛	13.43
Con. Illinois O/S 9¾ 86	150	85⅛	85¾	−0⅛	−0⅛	13.65
Denmark 11¾ 90	100	88⅞	89⅜	−0⅛	−0½	13.86
Dome Petroleum 13½ 92	50	96⅝	97⅛	−0½	−0¼	14.04
EEC 11 95 (May)	75	84⅜	84⅞	−0½	−1⅛	13.45
EEC 11 95 (August)	70	83⅜	83⅞	−0⅛	−0⅛	13.64
EIB 13¾ 90	100	99	99½	−0⅛	0	13.86
Eksportfinans 9½ 87	75	84¼	84¾	−0⅛	0	13.17
Elec. de France 10 88	125	84½	85	−0⅛	+0¼	13.32
Export Dv. Cpn. 12¾ 87	100	96½	97	−0⅛	−0⅛	13.50
Export Dv. Cpn 9½ 86	150	85⅞	86⅜	−0⅛	+0⅛	13.50
Fed. Dev. Bank 12¼ 85	75	95⅝	96⅛	−0½	−0⅛	13.48
Fin Exp. Credit 10½ 85	50	88⅜	88⅞	−0⅛	+0⅛	14.06
Finland, Rep. of 9½ 86	100	83½	84	−0⅛	−1⅛	14.13
Ford Credit O/S 14⅝ 83	150	98⅞	99⅜	−0½	+0⅛	14.97
Ford O/S Fin. 12⅜ 85	250	90⅝	91⅛	−0¼	+0⅝	15.62
GMAC O/S Fin. 13⅜ 85	100	98¼	98¾	−0⅛	+0½	13.82
GMAC O/S Fin. 12 87	100	91⅞	92⅜	−0⅛	−0⅛	13.84
Gen. Mtrs. O/S 11¾ 87	100	91⅜	91⅞	−0⅛	0	13.70
Goodyear O/S 12½ 87	75	95⅜	95⅞	−0⅛	−0⅛	13.52
Hudson's Bay 11½ 90	75	87⅜	88⅛	−0½	−0⅞	13.82
IBM Canada 10½ 85	50	95⅜	95⅞	−0¼	+1⅛	11.78
Int. Harvester 12¾ 85	115	94	94½	−0½	0	14.50
J. C. Penney Int. 12⅜ 86	100	95⅝	96⅛	−0½	+0⅛	13.47
McGraw 13½ 85	75	†96¾	97¼	−0½	−0¼	14.43
NorWest Ind. 13⅜ 87	50	96	96½	+0⅛	0	14.50
Nova Scotia 10¾ 90	50	86⅛	86⅝	−0⅛	0	13.33
OKB 10 85	50	88⅝	89⅛	−1	−0½	13.41
Pemex 11½ 88	100	85⅞	86⅜	−0¼	+0⅛	14.64
Quebec Hydro 11½ 92	100	86⅜	86⅞	0	−1⅛	13.89
Repsteel O/S 11½ 88	100	82¾	83¼	−0⅛	−0⅛	15.45
Roylease 11¼ 85	50	92¼	92¾	0	+0⅛	13.61
SNCF 12½ 85	50	97⅛	97⅝	−0½	+0⅛	13.16
Sweden 12⅜ 85	150	95½	96	−0½	−0⅛	13.61
Swed. Ex. Credit 12½ 85	40	94¾	95¼	−0⅛	−0⅛	14.08
Swed Ex. Credit 12 83	50	94⅝	95⅛	−0⅛	−0⅛	14.35
Transamerica 12¾ 83	50	96¾	96¼	−0⅛	+0¼	14.23
Unilever NV 9¾ 90	100	82	82½	−0⅛	−0½	13.10
World Bank 9¾ 85	200	88⅛	88⅝	−0⅛	+0⅛	13.37
World Bank 10¾ 87	300	86⅞	87⅜	−0⅛	−0⅛	13.39
Average price changes... On day −0⅛ on week −0⅛						

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bk. 8⅜ 90	100	93	93¾	−0⅛	−0½	9.43
Australia 8¼ 90	250	96⅝	97⅛	0	−0⅛	8.61
Austria, Rep of 8¾ 92	150	93¼	94	−0⅛	−0⅛	9.15
BFCE 8⅜ 95	100	92½	93¼	0	0	9.04
CECA 7⅞ 92	150	92¼	93	0	+0½	8.91
Cll-Honeywell 8¾ 90	125	95⅜	96⅛	+0¼	+0½	9.04
Denmark 8¼ 92	100	95	95¾	0	0	8.92
EIB 8½ 90	200	95⅞	96⅝	0	−0⅛	9.09
ESCOM 9¾ 87	100	97⅜	98⅛	+0⅛	0	9.70
Iberduero SA 9 90	100	98	98¾	−0⅛	−0⅛	9.25
Ind. Bk. Finland 8½ 90	50	93⅜	94⅛	−0½	−0⅛	9.50
Japan Air Lines 8¼ 87	100	95⅞	96⅝	0	0	8.87
Japan Dev. Bk. 7⅝ 87	100	92⅞	93⅝	+0¼	+0½	9.01
Kobe, City of 8 90	100	93⅜	94⅛	−0⅛	−0¼	8.95
Midland Int. Fin. 8½ 90	180	96½	97¼	+0⅛	+0½	8.98
Norway 7½ 85	250	96⅞	97⅝	−0⅛	−0⅛	8.34
Nuclebras 9¾ 88	100	91½	92¼	+0⅛	0	11.37
OKB 8¼ 92	150	92½	93¼	−0½	−0½	9.27
Oslo City of 8¾ 90	80	99⅛	99⅞	0	−0½	8.83
Venezuela, R of 9¾ 90	150	97½	98¼	−0⅛	+0⅛	10.09
World Bank 8 90	700	92⅛	92⅞	−0⅛	−0⅞	9.20
World Bank 10 86	150	105¾	106¼	+0½	−0⅛	8.58
World Bank 10 90	200	105	105½	−1¼	−0⅛	9.12
Average price changes... On day −0⅛ on week −0¼						

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Austria, Rep. of 5⅜ 90	100	97⅜	97⅞	+1⅛	+0⅛	5.68
Bayar Int. Fin. 5¼ 92	100	99½	99⅝	0	−0⅛	5.29
Bergen, City of 6 90	50	100¾	101	+0¾	−0⅛	5.87
Buhrm'n-Tetterode 7 90	40	†105	105½	+0⅛	+0⅛	6.23
Copenhagen Tele. 5¾ 90	60	94¾	95¼	+0⅛	−0⅛	6.46
Denmark 5¾ 90	80	95½	96	+0½	−1¼	6.36
EIB 4½ 94	100	85¼	85½	−0¼	−0⅛	5.97
Elet. de France 5¾ 90	100	†99	99¼	+0⅞	+0½	5.36
Eurofima 5¾ 92	80	†101	101½	−0⅛	−0¼	5.60
F. G. H. Hypo. Bk. 6 90	50	†100¾	101¼	+0¼	−1½	5.86
Finland, Rep. of 5⅜ 90	80	93⅞	94⅛	0	+0⅛	6.48
GZB 4¼ 89	100	†86½	87	+0½	−1½	6.26
Int.-Amer. Dev. 7 90	80	104½	104¾	+0⅞	−0⅞	6.32
Japan Dev. Bk. 5¾ 90	100	101¼	101¾	+0⅛	−1	5.58
Jutland Tele. 5½ 90	50	†95	95½	+0⅛	−0½	6.20
Mt. Blanc Tunnel 5½ 90	60	97½	97¾	+0¼	−1⅛	5.82
Newag 5¾ 90	80	99⅝	100	+0⅛	−0⅛	5.78
Nippon Tel. & T. 4¼ 89	100	93	93¼	−0¼	−1	5.25
Norges Komm. 4⅜ 91	100	86¾	87	−0⅛	−0¼	6.07
OKB 4½ 91	100	87¼	87½	−0⅛	−2⅛	6.00
OKB 6 90	100	101	101¼	+0⅛	−0⅛	5.83
Oslo, City of 4¾ 91	100	86¼	88½	+0¼	−0⅛	6.14
Oslo, City of 5⅞ 90	90	100½	100¾	0	−0⅛	5.78
Philips Lamps 5⅜ 92	100	95¾	96¼	+0⅞	−0⅛	5.73
Sekisui Pre. Hms. 6 90	80	101½	101¾	+0½	−0½	5.82
Shikoku El. Pwr. 4¾ 89	100	95⅝	95⅞	+0⅛	+2½	6.38
Trade Dev. Fin. 6¼ 90	50	95¼	95¾	−0¼	+0½	6.21
Voest-Alpine 5¾ 90	80	98⅛	98⅞	+0¼	−0½	5.92
Average price changes... On day +0⅛ on week −0⅛						

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 5.6 83	30	91½	92¾	+0¼	0	8.90
Australia 6½ 88	20	87⅞	88⅞	0	0	8.74
EIB 7¾ 89	12	92⅞	93⅞	0	+0¼	8.89
Finland 5.6 83	10	90¾	91¾	+0⅛	+0⅛	9.28
Finland 6.8 88	10	86⅞	87⅞	+0¼	+0⅛	9.27
Finland, Rep. of 8⅜ 87	15	95⅞	96⅞	+0½	+0½	9.27
Average price changes... On day +0⅛ on week +0½						

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bell Canada 10⅜ 86 C$	60	91⅛	91⅞	+0⅛	0	12.91
CIBC 13½ 85 C$	50	†99	99¾	0	+0⅛	13.64
CIBC 11½ 85 C$	60	†93¾	94½	0	0	13.27
Federal Dev. 11½ 90 C$	60	†86¾	87½	+0⅛	0	14.05
Fst. Can. Inv. 10 84 C$	50	†90	90¾	0	+0⅛	13.75
R. Bk. Canada 10 86 C$	40	90½	91¼	+0½	+0⅛	12.38
Tordom Cpn. 13½ 85 C$	30	†98¼	99	−0½	−0⅛	13.86
M. Bk. Dnmk. 9 91 EUA	25	91	92¼	−0⅛	−0⅛	10.31
SOFTE 9¼ 89 EUA	40	87¾	88½	0	0	10.51
U. Bk. Nrwy 9½ 90 EUA	18	98½	99¼	−0⅛	−0½	9.64
Bk. Mees & H. 10 85 Fl	75	101	101½	+0⅛	−0⅛	9.61
F. G. Hypo 9¾ 87 Fl	60	93⅞	94⅜	+0⅛	+0¼	11.02
Heineken NV 10 87 Fl	100	97	97½	−0⅛	−0⅛	10.58
Nat. Inv. Bk. 10 87 Fl	75	97¾	97½	−0⅛	0	10.52
Nat. Neder. 9½ 87 Fl	60	95	95½	+0⅛	+0⅛	10.51
Ned. Midd. Bk. 10 85 Fl	75	100¾	101¼	+0⅛	−0⅛	9.66
Aero Paris 13⅝ 87 FFr	150	96¾	97¼	+0⅛	+0⅛	13.71
Charb'nages 13⅞ 85 FFr	400	99½	100½	−0⅛	0	13.85
CECA 14½ 86 FFr	150	100⅞	101⅞	0	+0¼	13.82
EIB 14½ 88 FFr	300	99⅜	100⅜	+0⅛	+0⅛	14.06
Finland 11 84 FFr	80	91⅞	92⅞	+0⅛	+0⅛	13.93
Gaz de France 11 84 FFr	150	92⅝	93⅝	+0⅛	+1⅛	13.40
La Redoute 14⅛ 85 FFr	125	97⅛	98⅛	0	+0⅛	15.07
Renault 9¾ 85 FFr	100	85⅝	86⅝	+0⅛	+0⅛	14.29
Utd. Mex. Sts. 14 85 FFr	150	99⅜	100⅜	+0⅛	+0⅛	13.97
Acona 14 85 £	20	94⅜	95⅛	+0⅛	−0⅛	15.56
Beneficial Fin. 14½ 90 £	20	94¼	95	+0⅛	+0⅛	15.32
Beneficial Fin. 14½ 90 £	20	94¼	95	−0⅛	+0⅛	15.32
BNP 13½ 91 £	15	96⅛	96⅞	+0⅛	+0⅛	14.17
CECA 13½ 88 £	20	96⅜	97⅛	+0⅛	+1⅛	14.18
Citicorp O/S 13½ 90 £	50	96	96½	0	+0⅛	14.23
Fin. for Ind. 14½ 88 £	20	100⅛	100⅞	0	+0⅛	14.38
Fin. for Ind. 13¾ 87 £	20	97⅛	97⅞	−0⅛	+0⅛	14.31
Gen. Elec. Co. 12½ 89 £	50	93⅞	94⅝	+0⅛	+0⅛	13.69
Peugeot SA 14 90 £	23	94⅝	95⅜	0	+0⅛	14.97
Rothschild 14½ 90 £	12	97⅛	98⅛	+0⅛	+1	14.68
Swed. Ex. Cr. 15½ 85 £	20	102½	103¼	0	+0⅛	14.24
Banobras 8¼ 90 KD	7	†87¼	87⅞	0	0	10.43
CCCE 8¼ 91 KD	10	†81½	82	0	0	11.22
Sonatrach 8½ 90 KD	12	†88½	88⅞	0	0	10.52
Akzo 9¾ 87 LuxFr	500	91	92	0	+2⅛	11.69
Euratom 9¾ 88 LuxFr	500	94⅞	95⅞	0	+1⅛	10.72
Eurofima 10½ 87 LuxFr	500	98⅜	99⅜	+0⅛	−0⅛	10.72
EIB 9¾ 88 LuxFr	600	96⅜	97⅜	+0⅛	+0⅛	10.40
Volvo 9¾ 87 LuxFr	500	90⅝	91⅝	0	+0⅛	11.69

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish Bank 5¼ 87	0¼	98⅛	98⅝	2/7	16¾	16.86
Bank of Montreal 5¼ 90	0¼	99¾	100¼	18/8	19½	19.50
Bank of Tokyo 5¼ 89	†0¼	97¾	98¼	25/1	13.94	14.22
BBL Int. 5 88	0¼	97⅜	98⅛	20/5	16½	16.84
Bergen Bk. A/S 6 89	†0¼	97¼	98¼	29/2	18.19	18.56
BNP 5½ 88	0¼	98⅛	98⅞	29/1	14.44	14.57
CNT 5¾ 86	50¼	97¾	98¼	16/4	13¼	13.52
Citicorp O/S F. 84	†0	99⅛	99⅜	31/1	18⅛	18.44
C. Itoh 5¼ 87	0¼	97½	98	18/3	12⅝	13.17
Co-operative Bk. 6 86	0¼	97⅜	97⅞	15/5	15¼	15.62
Den Norske Credit 6 90	0¼	97¾	98¼	5/2	15⅝	16.07
Genfinance 5¼ 87	0¼	97¾	98¼	30/4	15⅛	15.43
Giro und Bank 5¼ 91	0¼	98¼	98¾	23/3	20½	20.84
GZB 5½ 89	†0¼	98	98½	1/2	15.06	15.33
Jugobanka 8 89	0⅞	†91	93	23/6	16⅛	18.21
Ind. Bank Japan 5¼ 87	0¼	97½	98	15/4	13.31	13.62
Ind. Bank Japan 5¼ 88	0¼	97	97½	9/4	13⅛	13.50
Lloyds Eurofin 8 90 £	0¼	94¾	95¼	3/7	14½	15.26
Lloyds Eurofin 5¼ 92	0¼	98	98½	4/6	17¼	17.56
LTCB Japan 5¾ 86	0¼	100⅛	100⅝	13/6	20.19	20.05
Man. Hanov. O/S 5¼ 94	†0¼	97⅝	98⅛	29/2	18⅛	18.47
Midland Intl. Fin. 5 89	0¼	99⅝	100⅛	30/5	19.56	19.54
Midland Intl. Fin. 5¼ 92	0¼	97⅞	98⅜	5/6	17.19	17.52
Nacional Fin. 6¼ 86	0¼	98½	99	25/1	9.69	9.81
Nat. West. 5¼ 94	50¼	98	98½	14/4	13⅝	13.77
Nat. West. 5¼ 92	50¼	96⅛	96⅝	23/4	13.69	14.20
Nippon Credit 5¼ 87	†0¼	98½	99	6/2	16.06	16.27
Sparebanken 6 87	0¼	98⅝	99⅛	19/6	19⅞	20.10
Standard Chart. 5¼ 90	0¼	97⅜	98⅛	6/3	12.06	12.32
Svenska Hndlsbk. 5 87	0¼	98⅛	98⅝	15/7	17.81	17.97
Bq. Ex. d'Alg. 4¼ 89 SF	0⅝	90½	91	18/6	7½	8.26
Average price changes... On day 0 on week +0⅛						

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Bow Valley Inv. 8 95	4/81	23.12	104½	105½	−0⅛	33.14
Canon 6¾ 95	1/81	829	117¼	118¼	−3½	−11.66
Credit Suisse 4½ 93	10/79	1278	112½	113½	−0½	−3.84
Digicon Fin. 8½ 95	10/81	29.5	99	100½	−1	13.18
Enserch Fin 9¼ 94	7/80	30.25	170	171	+4½	30.17
Henson O/S Fin. 9½ 95	1/81	1.92	101⅛	102⅛	−1⅛	−4.55
Ina Overseas 8¾ 2000	4/81	42	100½	102	−1⅛	38.45
Inchcape Ltd. 8 95	2/81	4.55	98⅞	100⅛	−0⅛	−3.62
Jaccs 7¾ 95	11/80	585	130½	131½	0	−1.07
Manon Int. Fin. 9 95	12/80	23.25	99	100½	+0⅛	−1.31
Matsushita El. 7½ 95	11/80	590	102⅝	103⅝	−0⅛	8.10
MEPC 8¾ 98	2/81	2.47	93¾	94¾	−0⅛	6.20
Niigata Eng. 7¼ 96	1/81	327	106⅞	107⅞	−0⅛	12.97
Nissho-Iwai Co. 8 96	10/80	388	97	98	−0⅛	−1.76
Ricoh 6¾ 95	8/80	604	126⅞	127⅞	−0⅛	2.72
Sumitomo M. Ind. 7 95	2/81	181	110⅜	111⅜	+0⅛	21.14
Swiss Bk. Cpn. 6¾ 90	9/80	200	92½	94½	0	7.85
Taylor Woodrow 8¾ 90	1/81	4.94	94¾	95¾	−0⅛	−1.03
Transco Int. 8¾ 95	2/81	68	94⅞	96	+0⅛	22.73
Tricorp 8½ 95	12/80	31.25	92	93⅛	−2⅛	25.34
Union Bk. Switz. 5 89	2/80	121.4	91	93	−0⅛	92.35
Fujitsu 5 84 DM	7/79	431.5	145	146	+2¼	−0.13
Sharp Cpn. 6½ 86 DM	3/80	595	134	135	−3	−5.15
Uny Co. 6¼ 85 DM	11/79	967.3	111⅛	112⅛	−0⅛	21.23

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

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Companies and Markets

INTL. COMPANIES & FINANCE

Fiat's turnover expands by 20%

By Rupert Cornwell in Rome

FIAT, THE leading Italian motor group yesterday reported a 20.6 per cent increase in group sales last year to L18,160bn ($19.5bn) from L15,056bn. Despite the severe difficulties of 1980, particularly in the key car division, the holding company of the group, Fiat SpA expects to report a profit.

In his traditional letter to shareholders, Sig. Giovanni Agnelli, Fiat chairman, described 1980 as a difficult year for the company — as would be 1981. But he also hailed it as a "turning point" when the company, Italy's largest private industrial concern, finally took action to set its affairs in order.

In response to a situation which might have become "really critical," according to Sig. Agnelli, Fiat had moved to slim drastically its workforce and subsequently carried out a L500bn fund raising operation, its largest ever.

Fiat, he said, had been forced to opt for self-reliance in the absence of coherent state aid of the type which its main car competitors were receiving from their own governments. In the affair of the 23,000 lay-offs last autumn, moreover, Sig. Agnelli stated, the company had refused to use this threat as a bargaining counter to win public aid and contracts.

Although during 1980 the group's total fixed investments declined slightly to L935bn from L962bn in 1979, the financial position of Fiat SpA itself improved. The net balance sheet surplus on December 31 stood at L1,660bn, up L172bn on the figure at the end of 1979.

The inflow of dividend payments from subsidiaries, and other financial gains meant that the holding company would show a profit, following the one of L39.4bn in 1979.

Among the individual sectors, Fiat Auto, the group's car manufacturing offshoot, reported a 20 per cent rise in net turnover to L8,540bn. This, however, masks the contrast between a booming domestic market (where Fiat, together with its Lancia and Autobianchi subsidiaries, boosted its market share to 51.6 per cent from 50.3 per cent) and a 20 per cent slump in exports to 458,000 units.

But Sig. Agnelli repeated his warning that the division would show a 1980 deficit at least the equal of the previous year's L97bn.

Sales of the heavy vehicle division, centred on the Iveco truck manufacturer, climbed 15 per cent to L4,080bn, while Iveco output rose 1 per cent to 111,000 units. Turnover in volumes terms declined in both the tractor and earth moving equipment sectors, while Teksid, Fiat's steel arm, despite a sales increase to L1,695bn from L1,426bn in 1979, suffered from the abrupt downturn in the European market from August onwards.

The best gain was managed by the civil engineering division which lifted turnover by about ... per cent to L1,354bn.

Mic Mac Japan link

The French Government has given the green light to the acquisition by Renown of Japan of a 49 per cent interest in Societe Mic Mac, makers of women's ready-to-wear clothing which has annual sales of about FFr 55m ($12m), Reuter reports from Paris.

Dutch Ford losses raise fear of cuts in truck jobs

BY CHARLES BATCHELOR IN AMSTERDAM

FORD NEDERLAND has moved deeper into the red, and as a result the company's unions and Amsterdam City Council are both concerned that Ford will shut down the truck assembly plant there with the loss of 1,750 jobs.

The 1980 loss is put at Fl 67m ($31m) before tax. Ford Nederland expects to make a further loss of Fl 40-50m this year. In 1979 pre-tax losses totalled Fl 11m on turnover of Fl 1.1bn.

The company is awaiting the response of the works council to a report on the future of the Amsterdam plant. This studied a number of alternative uses for the factory, including the assembly of cars and the manufacturing of components, but concluded that there was little prospect of returning to profit.

Ford Nederland's 1,200 production workers have been on half-time working since September. The Amsterdam factory assembles Transit light vans and Transcontinental heavy trucks.

The largest union representing Ford workers claimed that the company booked profits on its component manufacturing plants but took losses on the assembly lines. The union is drawing up a rescue plan to save the plant.

Ford Werke, the West German affiliate of the Ford Motor group, reports a sharp decline in production for 1980. Output fell to around 644,400 units the company said yesterday, a decline of 25 per cent

Mr. Enneus Heerma, the Amsterdam city alderman responsible for economic affairs, called for the problems of Ford to be studied in a European context.

Motor Industry Association figures just released show that Ford, which imports many cars into the Netherlands, experienced a 36 per cent fall in car sales in Holland in 1980, a far sharper decline than the 22 per cent overall drop in the Dutch market. Ford sold only 41,000 cars, compared with 64,000 in 1979.

● Nedlloyd said shareholders of KNSM can offer their shares for exchange into Nedlloyd shares until February 17.

Nedlloyd has announced it will offer Fl 110 cash plus one Nedlloyd share, not ranking for the 1980 dividend, for every two KNSM shares to accomplish the merger of the two shipping groups.

The bid is conditional on acceptance by holders of at least 98 per cent of KNSM's 377,000 oustanding shares.

Nedlloyd's bid prospectus said the choice for a partly cash bid was made to limit an anticipated negative effect on Nedlloyd's profit per share.

Spanish oil concerns seek links

BY ROBERT GRAHAM IN MADRID

THREE SPANISH oil and petrochemicals companies with combined sales of more than $3bn are seeking to rationalise their activities and operate in collaboration.

The three companies, CEPSA, Explosivos Rio Tinto (ERT) and Petromed, want to strengthen their hand ahead of EEC entry and "provide greater cohesion" for when the Spanish Government shortly forms all its energy interests under a single holding company.

The talks between the companies have been closely watched by a wide section of industry. Those involved with the project insist that the move is not a defensive one. One of the aims of the collaboration will be to pool resources to promote oil exploration both inside and outside Spain. So far exploration at home and abroad has been conducted by State-owned or State-controlled entities with or without foreign collaboration.

Four main areas of collaboration are being sought. The companies will seek to establish a joint programme of crude purchases to stock their refineries, a joint agreement on the transport of crude and refined products, plus coal, a co-ordinated use of refining capacity and feedstock in the petrochemical industry, plus co-operation on sales and distribution and, finally, the companies will aim for co-ordination of installations in exports and imports.

The collaboration is understood to have the support of the principal Spanish banks who, in the case of two of the companies, are the main shareholders. Cepsa is part of the industrial empire controlled by Banco Central, while Petromed is owned by Banesto. Banco Urquijo is heavily involved in ERT.

All three companies are concerned about the lifting of the protective restrictions which currently surrounded the complete spectrum of activities in refining, distribution of petroleum products and the petrochemical industry. At one time last year ERT considered linking with Hoechst of Germany. But it now seems that the companies would prefer a "nationalist" solution instead of a foreign link-up.

At the same time the companies have been forced to seek links by the prospect of a shake-up in the state's own energy holdings. It is also likely that the Government will break the petroleum and petroleum products distribution monopoly of Campsa in advance of Spain joining the EEC.

French business failures rise sharply in 1980

BY TERRY DODSWORTH IN PARIS

DETERIORATING conditions for French industry and commerce brought a sharp jump in the rate of business failures last year, particularly during the final six months.

According to figures from INSEE, the national statistical office, bankruptcies rose by 9.5 per cent in 1980 to 17,380 against 15,860 in 1979. In the important Parisian region, the rate was much higher than in the country as a whole, going up by 13.5 per cent, while the number of companies filing for bankruptcies rose by 17 per cent.

The latest indications are that December was a particularly bad month, and no improvement is expected in the early months of this year.

These figures show the impact of the decline in French output in the latter part of last year when industry cut its production by 4.5 per cent, compared with the same period of 1979. According to the figures for November, activity was still falling at the end of the year, while household consumption was also continuing to decline.

Despite these gloomy statistics, the Banque de France in its latest report stresses that the present economic situation is not as depressed as many industrialists feared it would be earlier last year. The bank says that the overall view of the companies questioned in its monthly survey was that there would not be a significant further decline in their business.

But the report also underlines the steady deterioration in the financial results of most companies last year, particularly in the vehicle, textile, metal and chemicals sectors.

● Generale de Constructions Telephoniques will reduce its workforce by 700, or 9.3 per cent, within the next two months. The move, calling for voluntary departures, will involve generous bonuses consisting of 10-months of basic wages plus a certain percentage for seniority in the company.

CGCT, which is part of the International Telephone and Telegraph group of the U.S., manufactures telephone systems and other telecommunications equipment.

Swedish pulp group to shut four mills

By William Dullforce in Stockholm

THE board of Norrlands Skogägares Cellulosa (NCB), the trouble-hit pulp and paper concern in which the Swedish state took a 74 per cent interest in 1979, decided yesterday to close four of its mills. More than 1,000 workers are expected to lose their jobs.

Mr. Sven Ostling, the NCB chairman, said the mills had to be closed, to stop the "bleeding" of cash from the group. Talks are to be started at once with the trade unions.

Last month the Government agreed after differences within the Cabinet to write off the existing share capital in NCB, to put in new share capital of SKr 300m and to lend the company Skr 100m but this rescue operation has to be approved by the Riksdag (parliament).

In the meantime the state has guaranteed a bank loan of SKr 100m to enable NCB to meet current payments.

Yesterday the board decided to close two pulp mills at Hörnesfors and Köpmanholmen a paper mill at Hörnesfors and a plywood and board mill at Johannedal.

Banks 'will recycle more funds'

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

COMMERCIAL BANKS can and will do much more of the international recycling task than most current thinking seems to suppose.

This argument was put to the Financial Times conference on the Euromarkets by Mr. Richard O'Brien, senior economist at Amex Bank.

A small amount of underpinning by official institutions may be useful, but the need for massive support will not be as great as often assumed.

The sharp decline in overall lending to the developing world through syndicated credits last year disguises the fact that many countries still managed to borrow more than in 1979. The drop in total borrowing was caused by a decline in activity by a handful of large borrowers for various specific reasons.

At the same time, the Bank for International Settlements figures show that in the second quarter of last year international bank lending in all forms to developing countries jumped from $158bn to $172bn, a record increase.

Flows of funds were thus continuing, said Mr. O'Brien. Given the right adjustments (slower import growth, lower bank lending and higher official lending) the books can still balance, he added.

Mr. Roberto Campos, Brazil's ambassador to the UK, also suggested that the debt problems of the developing countries were being overstated. He pointed out that in real terms the debt levels reached last year were lower than in 1975.

Erroneous impressions were also given by total debt figures, he said. Brazil's total debt, for example, included a large amount of lending by multinational companies to their subsidiaries in Brazil. This is non-callable debt and Brazil will never need to acquire the foreign exchange to repay it.

Mr. Campos said that the developing countries were still suspicious of the conditionality imposed by the International Monetary Fund. He suggested that the role of the Fund would become less emotional if consultation between it and its members were more public and also involved commercial banks.

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Mr. Seung-Yun Lee, Minister of Finance of South Korea, agreed that developing countries will continue to tap the Euromarkets for large amounts.

But he suggested that a cautious approach was necessary. New borrowings should be increased slowly and debt maturity profiles should be kept manageable. Meanwhile developing countries should seek to increase trade among themselves to compensate for loss of export markets in the industrial world. It is important that their economies be managed in such a way as to ensure a high return on investment.

Mr. Y. Akturk, Under-Secretary of Turkey's state planning organisation, said that Turkey's experience with structural adjustment programmes had shown that firm adherence to free market principles is the only solution.

Turkey had attempted to open up its economy and this was leading to positive results already. Nonetheless it will take several years to reduce its balance of payments deficit to manageable proportions.

Meanwhile, continued large-scale foreign assistance and debt relief will still be needed.

Mr. Akturk said that Turkey's export earnings began to rise significantly following the assumption of power of the military government last September. For the full year 1980 they are expected to reach $2.8bn while remittances from Turkish workers abroad are thought to have totalled $2.1bn, compared with a target of $1.8bn.

Mr. Peter Peterson, chairman of Lehman Brothers Kuhn Loeb, said he did not expect the U.S. to play a significant role in the transfer of resources from the developed world to poorer countries. There was a "singular combination of ignorance and apathy," over this problem in the general public, he said.

No national television networks gave news coverage to the report of the Brandt Commission, he noted.

In this situation it would be too much to hope that the U.S. can find the political will to increase official aid.

Speaking from an Arab point of view, Mr. Abdel-Latif Benani, deputy general manager of Union de Banques Arabes et Francaises, said that it can now be taken for granted that Arab banks will maintain a strong presence in the international capital markets.

But he said that they do not consider their main responsibilities as being to act as recycling vehicles. Their main priority is to help Arab countries in their economic and social development and also to prepare for the future by acquiring assets which will generate income to replace oil resources as they are depleted.

The Arab countries in particular and the developing countries in general do not have an adequate share of the responsibility in decision making, control, and management of the existing international financial and monetary institutions, he added.

It is rather irrational to request the Arab oil producing countries to contribute more funds to the IMF, for example, if voting arrangements still continue to be based solely on quota subscriptions, regardless of the resources supplied by member countries.

The conference was chaired on its second and final day by Mr. John Craven, formerly deputy chairman of Merrill Lynch International Bank. Mr. Craven told delegates that a healthy and substantial capital market could develop more securities denominated in Special Drawing Rights.

Exports offset slide in GHH domestic turnover

BY JONATHAN CARR IN OBERHAUSEN

GHH, Europe's largest mechanical engineering group, expects to maintain a 14 per cent dividend this year despite clear evidence of a domestic economic downturn.

Herr Manfred Lennings, executive chairman, said that in the first five months of the current year, business had held up reasonably well thanks to foreign demand. Incoming orders rose by 1.1 per cent to DM 6.1bn, thanks to a boost from abroad of 7.1 per cent to DM 2.9bn. Home orders fell by 3.8 per cent.

Group exports benefited from several large individual orders, but demand was weaker for steel and cables. Total orders in hand at the end of November stood at DM 16.7bn, a rise of 4.7 per cent.

Turnover in the five months—the current year ends June 1981—was up by 2.9 per cent to DM 5.4bn, with domestic sales rising by 1.6 per cent and those abroad by 4.5 per cent. Exports made up 44.3 per cent of sales, a slight increase on a year earlier.

Herr Lennings was cautious about business prospects, noting increasing foreign competition (from the Japanese in particular) and dwindling demand at home.

Herr Manfred Lennings, chairman of the executive board of Gutehoffnungshuette.

West German industrial investment had fallen in the third quarter of 1980 to a level 0.2 per cent lower in real terms than the same period of 1979, and orders to the mechanical engineering sector alone had dropped by 4.5 per cent. Herr Lennings saw no clear evidence that there would be an upturn in 1981.

On the other hand GHH itself was going ahead with a fixed asset investment which would take it well above last year's expenditure level of DM 374m. Last year it also put about DM 500m—a sum equivalent to 3.2 per cent of group turnover—into research and development, and planned still greater efforts to ensure that research results were more quickly translated into marketable products.

The group results for 1979-80, now released in detail, show group turnover up by 13.2 per cent to DM 15.4bn and the order intake by 5.6 per cent to DM 15.9bn. While sales to industrialised countries made up 52 per cent of GHH exports compared with only 45 per cent a year earlier, the shares of both the OPEC and the Comecon states markedly declined.

Net profit of DM 121m was recorded and an increased dividend from 12 per cent to 14 per cent proposed. Improved earnings were recorded notably by the subsidiaries Ferrostaal, a steel, plant and marine trading concern and Schloemann Siemag, one of the world's leading manufacturers of heavy rolling mill equipment.

Borrowing figure set by South Korea

By Peter Montagnon

KOREA'S FOREIGN borrowing needs in 1981 will probably be around $7.7bn according to Mr. Seung-Yun Lee, the country's Minister of Finance. This is broadly in line with the 1980 requirement.

Mr. Lee said in London, at the Financial Times conference on the Euromarkets, that this year's requirement comprises about $6bn in long-term capital and $1.7bn with a maturity of three years or less.

Commercial banks will be asked to provide about $1.5bn of the total long-term capital needs, with about $750m also being provided by the International Monetary Fund. The remaining $3.7bn will be arranged through other development loans and direct investments.

The Minister disclosed that as of last October Korea's total foreign obligations outstanding were some $23.5bn. The fixed rate portion of the debt was 44 per cent, while 56 per cent of the total carried floating rates.

The country's debt service ratio, which now stands at about 13.5 per cent, should decline slightly this year, he said. An exports target of over $20bn has been set for this year.

JAPANESE MOTOR INDUSTRY

Toyota forecasts setback

BY YOKO SHIBATA IN TOKYO

TOYOTA MOTOR COMPANY, Japan's largest car manufacturer, expects a 30 per cent fall in operating profits for the year ending June 1981 from the Y291.5bn ($1.46bn) of 1979-80. Declining profitability, caused in part by the recent appreciation of the yen and stagnant domestic demand, has made the company's original earnings target difficult to achieve.

Full-year operating profits were earlier forecast to reach the same level as for 1979-80, on sales of Y3,500bn ($17.56bn).

Domestic demand has been stagnant since the autumn of 1980 and ca rmanufacturers see little sign of improvement. Toyota Motor's affiliate, Toyota Motor Sales Company, sold only 714,000 cars in the domestic market in the period from July to December 1980, falling short of the initial sales target of 816,000 units.

Overseas sales are also being hurt by the yen's appreciation. Although exports are commissioned to Toyota Motor Sales and exchange losses from the yen's appreciation are not reflected directly in Toyota Motor earnings, the companies share the burden of currency fluctuations by adjusting shipping prices.

For the period from January to December 1981, Toyota Motor Sales has set its total sales target at 3.4m units, with 1.6m cars for the domestic market (up 110,000 units over 1980), and 1.7m cars for export (down 90,000 units from 1980) with an additional 100,000 for knock-down exports.

Difficulties are expected in export markets this year, and Toyota Motor intends to achieve its sales targets with the major stress on domestic sales. Partly to help the financially troubled domestic Toyota car dealers, who are suffering from weak domestic sales and high interest rates, and partly to provide an incentive for new car sales, the company has set up a new sales promotion subsidy system at a total cost of Y15bn. The new system provides an extra commission of Y30,000 for each new car sold in the period from October 1980 to March 1981.

Toyota's results for the first half year to December 1980 will be announced in the middle of February.

● Earlier this week Toyota Motor Company and Nissan Motor Company reported record exports and production for the 1980 calendar year, Reuter reports from Tokyo. Toyota vehicle exports rose 29 per cent to a record 1.78m units from 1.38m, while Nissan exports were 1.47m units, up 29 per cent.

Toyota exported 704,600 vehicles to the U.S., up 14.1 per cent, and 128,300 to Saudi Arabia, up 19.1 per cent. Nissan shipped 615,000 to the U.S., up 23.5 per cent, and 102,800 to the UK, down 7.8 per cent.

Toyota and Nissan both reported production records last year, of 3.29m and 2.64m units respectively, with Toyota output up 9.7 per cent from 3m in 1979, and Nissan's up 12.8 per cent from 2.34m.

In December, Toyota exported 154,700 vehicles, 9.2 per cent more than in November, and 1 per cent more than in the previous December. Nissan exported 112,700, down 2.4 per cent from 115,500 in November, and up 3.6 per cent from 108,800 a year earlier.

Takashi Ishihara, president of Nissan, said the company would not start joint car production in Japan with Volkswagen until the summer of 1982 at the earliest. A joint Nissan-Volkswagen group will complete a study by June to decide the type of car and production volume. Last month, he said, Volkswagen suggested that the cars be based on Volkswagen's Audi Passat series.

Honda trebles profits

By Our Financial Staff

HONDA MOTOR Company almost trebled its consolidated net profits in the third quarter of 1980-81, showing a gain of 194.9 per cent to Y16.[illegible]bn ($84.1m), from Y5.69bn. The company attributed the rise to brisk sales in overseas markets and foreign exchange fluctuations. Sales rose by 24.5 per cent to Y381.396bn.

Over the first nine months of the fiscal year, Honda's net profit slightly more than quadrupled, rising 302.8 per cent to Y74.96bn from Y18.533bn in the year-earlier period. Sales increased 29.5 per cent to Y1,257bn, from Y970.951bn, with 75 per cent made abroad.

Overseas sales in the third quarter increased more sharply than those overall, rising 31.7 per cent, to Y231.17bn—because of favourable foreign exchange conditions, Honda said.

Sales of cars in the third quarter went up 22 per cent to 236,000 units, while sales in the domestic market grew at the slower rate of 5 per cent, to 65,000 units, and those in overseas markets at the faster pace of 30 per cent, to 171,000 units. Sales of cars represented 65 per cent of Honda's total sales in the period.

Sales of motorcycles rose only 2 per cent in the quarter to 634,000. Of this total, 252,000 were sold in Japan and 382,000 overseas. Domestic sales increased 22 per cent, but sales in overseas markets fell by 8 per cent, against a background of sluggish demand in the U.S. and in South-East Asia. The motorcycles sector accounted for [illegible] per cent of Honda's business.

Sales of motorcycles in the nine months rose 7 per cent, to 2.23m units, valued at some $[illegible]bn, up 32 per cent. Car sales brought in the equivalent of $3.5bn in the same period, up 27 per cent, with unit sales up 18 per cent to 703,000. Honda sold 200,000 units in Japan, for a gain of 6 per cent, and reported a 24 per cent gain overseas. Sales of power products and other revenues climbed 37 per cent to $628m.

Declines at Nomura and Daiwa

BY OUR FINANCIAL STAFF

NOMURA SECURITIES Company and Daiwa Securities Company, two of Japan's leading security houses, have reported consolidated net profit declines for the year to September, partly because of a drop in commission charges from stock trading.

Nomura's profit fell by 14.6 per cent to Y34.26bn ($172m) from Y40.1bn for 1978-79. Revenues rose by 11 per cent to Y240.66bn ($1.2bn) from Y216.8bn.

Daiwa's profit dropped by 25.4 per cent to Y13.52bn from Y18.126bn on revenues up by 13.4 per cent to Y134.7bn from Y118.84bn.

Nomura said the chief reason for the profit decline was the cost of parent-company investment in a new computer system. The parent company's market share of total first sector stock transactions also fell from 17.36 per cent to 15.66 per cent and slowed.

In November, Nomura reported parent company operating profits down by 5 per cent to Y70.85bn. An increase in revenue of 8.9 per cent to a record Y224.03bn was attributed to an improvement in the stock department, against the background of active purchasing by foreign investors. Net profits were 12 per cent lower at Y33.04bn.

Daiwa parent company results showed an increase in revenue of 9.9 per cent to Y120.91bn. Operating profits rose by 3.1 per cent to Y27.08bn, but net profits were 14.4 per cent lower at Y12.54bn.

Daiwa parent company market share of total transactions on the first sector of the Tokyo stock exchange was little changed at 10.26 per cent compared with 10.25 per cent.

Arab Banking Corporation earns $45m in first year

BY MARY FRINGS IN BAHRAIN

ARAB BANKING Corporation, the U.S.$1bn joint venture between Kuwait, Libya and Abu Dhabi, has declared a profit of U.S.$45m for its first year of operation.

ABC was incorporated in Bahrain on January 17, 1980, and started placing its initial paid-up capital of U.S.$333m almost immediately, although its dealing room was not operational until June.

With interest rates hitting 20 per cent in February-March, bankers had been speculating on an initial profit of at least $50m or $60m even if ABC did no more than place its funds on deposit.

Total assets expanded from $355m in April to $1.95bn at end December, with deposits rising from nil to $1,500m, loans from $5m to $296m, and paid-up share capital from $333m to $375m.

At the end of 1980 ABC syndicated a U.S.$500m loan for the Italian state oil company ENI with a dozen co-lead managers.

The chairman of ABC's board is Abdul Wahab of Al-Tammar, who is also chairman and managing director of Kuwait Foreign Trading, Contracting and Investment Company.

President and chief executive is Abdulla Ammar Saudi, who established the Libyan Arab Foreign Bank and is still on the board of several Arab and consortium banks.

Malaysian bank expands in Bahrain

By Wong Sulong in Kuala Lumpur

ARAB MALAYSIAN Development Bank, Malaysia's largest merchant bank, has obtainetd permission to set up a fully fledged bank in Bahrain, it announced yesterday. The offshore branch in Bahrain, set up in 1977, is to be incorporated into the bank, which will be known as Arab Asian Bank E.C.

Mr. Hussain Najadi, managing director of Arab Malaysian and chairman of the new bank, said it would have an authorised capital of U.S.$100m and a paid-up capital of U.S.$30m.

"With the formation of Arab Asian Bank in Bahrain, we are gearing ourselves to expand our banking operations in Hong Kong, Australia, China, Japan, Korea, Burma, and other countries of the south east Asian and Picafic region," he said.

The Arab-Asian Bank will open its first overseas branch office in Hong Kong next week, he added.

Arab-Malaysian, which was set up five years ago, is 55 per cent owned by Arab Investments for Asia of Kuwait and 12 per cent by the National Commercial Bank of Saudi Arabia.

CCM sees difficult year

By Our Kuala Lumpur Correspondent

CHEMICAL COMPANY of Malaysia (CCM), a member of the ICI group, faces a difficult time in 1981. Earnings are likely to remain stagnant, if not fall, Dr. S. S. Ridgwell, its chairman, said.

He told the company's annual meeting that the company's results had been eroded in the past year by sharply rising costs and keen competition, and the current year is also likely to see a weakening in demand.

Poor palm oil prices are expected to force growers to cut down on fertiliser and other inputs, and the increase in electricity rates last December would add an extra 4m ringgit (U.S.$1.8m) to the company's costs. "There is provision for some relief but to date we have been unable to obtain any commitment from the government on the score."

CCM's best selling herbicide, Gramoxone is also facing problems with imitation products.

For the year 1980, CCM's net profit was 11.8m ringgit (U.S.$5.33m) compared with 12.2m ringgit in 1979.

Hotel switch at City Developments

BY GEORGIE LEE IN SINGAPORE

CITY DEVELOPMENTS, the Singapore property developer and hotel owner, has decided to sell its wholly-owned subsidiary, Orchid Inn Private, to another of its subsidiaries, King's Hotel.

The sale will be effected by the issue of 13.25m new shares of S$1 par value each in King's Hotel to City Development in exchange for the entire issued capital of 26m shares of S$1 par value each in Orchid Inn.

Extension work to Orchid Inn is in progress to raise its room capacity to 321 rooms. King's Hotel, which is currently 64.5 per cent owned by City Developments, owns and operates a 319-room tourist class hotel.

It has an issued capital of 4.5m shares of S$1 par each but this will be raised to 20.25m shares by bonus and rights issues.

The share issue for the purchase of Orchid Inn will further raise its capital to 33.5m shares. The new shares will not be entitled to the bonus and rights issue nor the proposed dividend of 7.5 per cent declared for the ten months to October 1980.

The deal will raise City Developments' stake in King's Hotel to 74.64 per cent.

Kings Hotel raised pre-tax profits by 38.8 per cent to S$1.7m (U.S.$0.82m) in ten months to October, compared with the 12 months to end 1979.

CURRENCIES, MONEY and GOLD

Dollar firm

Dollar was very firm on expectations of a continued advance in U.S. interest rates. The U.S. currency opened strong in Europe following action on Wednesday by the Federal Reserve to drain funds from the banking system, while moves to add liquidity to the German domestic money market and expectations of a fall in German gross national product this year also supported the dollar against the D-mark.

Sterling was firm for most of the day, but declined in late trading, as a reflection of demand for the dollar. There was no reaction to news that Bank of England Minimum Lending Rate was unchanged at 14 per cent.

European currencies showed little change, with the French franc at the top of the European Monetary System, followed by the Dutch guilder.

DOLLAR — Trade-weighted index (Bank of England calculation) rose to 86.9 from 86.3. The dollar finished near its highest level of the day against most major currencies, rising to DM 2.0250 from DM 1.9925 against the D-mark, and to SwFr 1.8340 from SwFr 1.8090 in terms of the Swiss franc. After touching its lowest level for nearly two years against the Japanese yen on Wednesday, the U.S. currency improved to Y200.75 from Y199.20 yesterday.

STERLING — Trade-weighted index (Bank of England) rose to 80.3 from 80.2, after opening at 80.3 and touching 80.4 at noon. This was the highest closing level for over seven years. The pound opened at $2.4175, and touched a peak of $2.4220-2.4230, before easing back to $2.4175 at noon. In the afternoon sterling fell to a low point of $2.3990-2.4010 on demand for the dollar, and closed at $2.4025-2.4040, a fall of 2.52½ cents on the day.

D-MARK — Remaining weak near the bottom of the European Monetary System, reflecting Germany's poor balance of payments position, and slower than expected economic growth rate. The steadier trend in U.S. interest rates has also depressed the Deutsche Mark, with tension over Poland still a market factor.

The announcement that the Bundesbank had cut minimum reserve requirements and raised rediscount quotas of the German commercial banks tended to help the dollar, because of the implication of an improvement in domestic liquidity. The measures are expected to produce a downward trend in interest rates, coupled with some uncertainty about the future trend in U.S. rates. The dollar rose to DM 2.0112 from DM 1.9885 at the Frankfurt fixing and was quoted around DM 2.02 in late European trading.

ITALIAN LIRA — Weakest member of the EMS, but steadier as the deepening recession has cut imports and helped contain inflation — This lira improved against its EMS partners at the Milan fixing, but lost ground against the dollar, sterling, and the Japanese yen. The dollar was fixed at L955.55, compared with L946.30, close to the record high set last week, while sterling touched a record L2,310.10, against L2,295.40 previously. Within the EMS the Deutsche Mark eased to L475 from L475.41, and the French franc to L205.29 from L205.89.

JAPANESE YEN — Very firm despite recent dollar strength, underpinned by Japan's improving economic performance—The yen eased slightly against the dollar in moderate Tokyo trading, with the U.S. currency rising to L200.40 from L199.85, after opening at Y200.30 and touching a low of L199.00.

THE POUND SPOT AND FORWARD

Jan. 22	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.3990-2.4230	2.4025-2.4040	0.95-1.05c dis	−4.99	2.60-2.70dis	−4.41
Canada	2.8610-2.8860	2.8630-2.8645	0.75-0.85c dis	−3.35	1.80-1.90dis	−2.58
Nethlnd.	5.27-5.32	5.27¾-5.28¾	2⅜-1⅜c pm	4.83	6¼-5¼ pm	4.35
Belgium	78.05-78.50	78.15-78.25	23-13c pm	2.76	47-37 pm	2.15
Denmark	14.93-15.01	14.94-14.95	1¾ore pm-¾ dis	0.15	⅝ pm-1⅝dis	−0 10
Ireland	1.3015-1.3115	1.3020-1.3030	0.16-0.02p pm	0.83	0.31-0.12 pm	0.66
W. Ger.	4.86¼-4.89⅛	4.86¾-4.87¾	2⅞-1⅞pf pm	5.85	6¾-5¾ pm	5.14
Portugal	129.40-130.60	129.50-129.70	30c pm-60 dis	−1.39	10-115 dis	−1.93
Spain	194.75-195.35	195.00-195.20	40-90c dis	−4.00	205-265 dis	−4.82
Italy	2,307-2,315	2,307½-2,308½	2½-4½lire dis	−1.82	17-20 dis	−3.21
Norway	12.63-12.72	12.63½-12.64½	3¼-2¼ore pm	2.79	7½-6 pm	2.14
France	11.22-11.29	11.23-11.24	4½-3½c pm	4.54	9¼-8¼ pm	3.29
Sweden	10.70-10.80	10.70½-10.71½	8½-9½ore dis	−10.08	23⅞-24⅞dis	−9.10
Japan	480-488	482-483	2.95-2.25y pm	6.47	7.05-6.35 pm	5.55
Austria	34.30-34.60	34.30-34.35	14-10gro pm	4.19	37-31 pm	3.96
Switz.	4.40-4.43½	4.40½-4.41½	3¾-2¾c pm	8.84	9⅞-8⅞ pm	7.82

Belgian rate is for convertible francs. Financial franc 78.40-78.50. Six-month forward dollar 4.20-4.35c dis 12-month 5.30-5.55c dis

THE DOLLAR SPOT AND FORWARD

Jan. 22	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.3990-2.4230	2.4025-2.4040	0.95-1.05c dis	−4.99	2.60-2.70dis	−4.41
Ireland†	1.8430-1.8540	1.8430-1.8450	0.85-0.95c dis	−5.84	2.25-2.45dis	−5.09
Canada	1.1888-1.1910	1.1907-1.1910	0.09-0.04c pm	0.65	0.39-0.34 pm	1.23
Nethlnd.	2.1850-1.1990	2.1925-2.1935	1.92-1.82c pm	10.23	4.90-4.80 pm	8.85
Belgium	32.33-32.56	32.54-32.56	22½-21c pm	8.04	55-52 pm	6.59
Denmark	6.1785-6.2250	6.2015-6.2030	3-2½ore pm	5.32	7-6½ pm	4.35
W. Ger.	2.0090-2.0260	2.0245-2.0255	1.80-1.75pf pm	10.52	4.73-4.68 pm	9.29
Portugal	53.85-54.05	53.90-54.00	25c pm-par	2.78	45 pm-15 dis	1.11
Spain	80.60-80.85	80.62-80.72	30-10c pm	2.97	15 pm-15 dis	—
Italy	954.90-957.65	956.50-957.25	2½-1½lire pm	2.51	3¼-2¼ pm	1.15
Norway	5.2400-5.2605	5.2450-5.2460	3.80-3.30ore pm	8.12	8.60-8.10 pm	6.37
France	4.6450-4.6780	4.6725-4.6775	3.60-3.50c pm	9.13	8.80-8.60 pm	7.45
Sweden	4.4470-4.4675	4.4585-4.4600	1.20-1.40ore dis	−3.50	4.50-4.70dis	−4.13
Japan	200.00-201.00	200.70-200.80	2.05-1.90y pm	11.80	5.00-4.85 pm	9.81
Austria	14.21-14.29¾	14.28¾-14.29¾	11.50-11.90gro pm	9.40	30.25-28.75pm	8.26
Switz.	1.8200-1.8360	1.8335-1.8345	2.23-2.13c pm	14.26	5.76-5.66 pm	12.45

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY MOVEMENTS

Jan. 22	Bank of England Index	Morgan Guaranty Changes%
Sterling	80.3	−24.2
U.S. dollar	86.9	−7.1
Canadian dollar	79.7	−18.6
Austrian schilling	145.6	+22.1
Belgian franc	110.7	−10.7
Danish kroner	100.6	−8.2
Deutsche mark	144.6	+38.6
Swiss franc	184.9	+75.3
Guilder	122.1	+17.1
French franc	95.6	−8.6
Lira	49.9	−52.8
Yen	147.4	+44.2

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

CURRENCY RATES

Jan. 21	Bank rate %	Special Drawing Rights	European Currency Uuit
Sterling	14	0.525800	0.534252
U.S. $	13	1.27559	1.29610
Canadian $	16.97	1.51693	1.54041
Austria Sch.	6¾	17.9794	18.2490
Belgium F	12	41.8954	41.5237
Danish K	11	7.81044	7.93859
D'mark	7½	2.53651	2.57923
Guilder	8	2.76229	2.80618
French Fr.	9½	2.87537	5.96723
Lira	16½	1207.03	1226.43
Yen	7¼	254.990	257.664
Norwgn. Kr.	9	6.65539	6.76497
Spanish Pts.	8	102.274	103.999
Swedish Kr.	12	5.63875	5.73004
Swiss Fr.	3	2.30461	2.34360
Greek Dr'ch.	—	Unavail	61.0785

OTHER CURRENCIES

Jan. 22	£	$		£ Note Rates
Argentina Peso	4856-4876	2002-2022	Austria	34.15-34.55
Australia Dollar	2.0335-2.0375	0.8455-0.8460	Belgium	78.00-78.80
Brazil Cruzeiro	164.71-165.71	68.10-68.44	Denmark	14.88-15.03
Finland Markka	9.338-9.350	3.8890-3.8900	France	11.16-11.28
Greek Drachma	112.477-115.757	47.38-47.48	Germany	4.86-4.91
Hong Kong Dollar	12.48¾-12.50	5.1840-5.1870	Italy	2315-2410
Iran Rial	174.75*	72.90*	Japan	484-490
Kuwait Dinar(KD)	0.653-0.659	0.2714-0.2716	Netherlands	5.21½-5.33½
Luxembourg Frc.	78.15-78.25	32.54-32.56	Norway	12.66-12.78
Malaysia Dollar	5.3525-5.3810	2.2200-2.2220	Portugal	129-142
New Zealand Dlr.	2.5145-2.3635	1.0380-1.0390	Spain	189¾-199¼
Saudi Arab. Riyal	8.03-8.09	3.3310-3.3330	Sweden	10.76-10.86
Singapore Dollar	5.0040-5.0150	2.0755-2.0775	Switzerland	4.39-4.43½
Sth. African Rand	1.8000-1.8010	0.7490-0.7495	United States	2.40¾-2.42¾
U.A.E. Dirham	8.85-8.90	3.6710-3.6730	Yugoslavia	80-84

Rate given for Argentina is free rate. * Selling rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU January 22	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	41.5638	+4.46	+1.09	±1.53
Danish Krone	7.72336	7.94664	+2.89	−0.48	±1.64
German D-Mark	2.48208	2.58594	+4.18	+0.81	±1.125
French Franc	5.84700	5.97518	+2.19	−1.18	±1.3557
Dutch Guilder	2.74362	2.81163	+2.48	−0.89	±1.512
Irish Punt	0.668201	0.693482	+3.78	+0.41	±1.668
Italian Lira	1157.79	1225.76	+5.87	+2.66	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

Jan. 22	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.403	4.868	482.5	11.235	4.410	5.283	2308.	2.864	78.20
U.S. Dollar	0.416	1.	2.025	200.8	4.675	1.835	2.198	960.4	1.192	32.54
Deutschemark	0.205	0.494	1.	99.13	2.308	0.906	1.085	474.2	0.588	16.07
Japanese Yen 1,000	2.073	4.981	10.09	1000.	23.28	9.140	10.95	4783.	5.935	162.1
French Franc 10	0.890	2.139	4.332	429.5	10.	3.925	4.702	2054.	2.549	69.60
Swiss Franc	0.227	0.545	1.104	109.4	2.548	1.	1.198	523.4	0.649	17.73
Dutch Guilder	0.189	0.455	0.921	91.34	2.127	0.835	1.	436.9	0.542	14.80
Italian Lira 1,000	0.433	1.041	2.109	209.1	4.868	1.911	2.289	1000.	1.241	33.88
Canadian Dollar	0.349	0.839	1.700	168.5	3.923	1.540	1.845	805.5	1.	27.31
Belgian Franc 100	1.279	3.073	6.224	617.0	14.37	5.639	6.755	2951.	3.662	100.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

Jan. 22	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
Short term	14¼-14¾	18½-18¾	16-17	9⅛-9¼	2¼-2⅜	8⅛-8⅜	10⅜-10⅝	14½-16½	10-10½	6½-7
7 days' notice	14½-15	18⅞-19⅛	16-17	9⅛-9¼	11½-12	8⅞-9	10⅜-10⅝	15-17	10-10½	8-8¼
Month	14⅛-14⅜	19¼-19½	17¼-17⅝	9⅛-9¼	5⅛-5⅜	9-9⅛	10⅛-10⅜	16-17	11¾-11⅞	8⅛-8⅜
Three months	14⅜-14½	18⅜-18⅝	16⅛-16½	9⅜-9½	5⅛-5	9⅛-9⅜	10⅞-11	17¼-18¼	12¼-12½	8⅛-8⅜
Six months	13⅝-13¾	17⅝-17⅞	15⅝-16	9⅛-9⅜	6⅛-6¼	9⅛-9⅜	11⅛-12⅛	17½-18½	12⅜-12⅝	8⅜-8⅝
One Year	13⅛-13⅜	16⅜-15⅝	14¾-15⅛	9⅛-9⅜	6⅛-6⅜	9-9⅛	12⅛-12⅜	17¾-18¾	12½-12¾	8⅛-8⅜

SDR linked deposits: one-month 14-14¼ per cent; three-months 13¾-14⅛ per cent; six-months 13¼-13⅝ per cent; one year 12⅝-13⅛ per cent.

Asian $ (closing rates in Singapore) one-month 19¼-19⅝ per cent; three-months 18⅝-18¾ per cent; six-months 17⅝-17⅞ per cent; one year 16-16⅜ per cent. Long-term European two years 15⅛-15⅝ per cent; three years 14⅞-15⅛ per cent; four years 14⅝-14⅞ per cent; five years 14½-14¾ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two-days' notice.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 19.00-19.20 per cent; three-months 18.40-18.50 per cent; six-months 16.80-16.90 per cent; one year 15.60-15.70 per cent.

FT LONDON INTERBANK FIXING (11.00 a.m. JANUARY 22)

3 months U.S. dollars		6 months U.S. dollars	
bid 18 11/16	offer 18 13/16	bid 17 3/8	offer 17 1/2

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

INTERNATIONAL MONEY MARKET

Frankfurt rates ease

Interbank rates were mostly easier in Frankfurt yesterday following a slight reduction in banks' minimum reserve requirements. The latter were cut by the Bundesbank at yesterday's fortnightly meeting of the central council. The lower reserve requirement figure is effective from February 1, and is estimated to release an extra DM3.7bn in the system. At the same time the Bank announced an increase in commercial banks' rediscount quota by DM3bn. Yesterday's measures were seen as a means of commercial banks switching their fund raising activities out of funds raised by security pensions, and negating in part the Central Bank's previous need to roll over credit facilities.

In the interbank market call money was quoted at 9.05 per cent compared with 9.025 on Wednesday. Period rates reflected the expected increase in liquidity, with one-month money easing to 9.40 per cent from 9.425 per cent and threemonth 9.45 per cent from 9.475 per cent. The six-month rate fell to 9.35 per cent from 9.40 per cent while 12-month money was unchanged at 9.30 per cent.

In Paris call money remained at 10¾ per cent while longer term rates were slightly down where changed.

Short term money in Amsterdam was slightly firmer at 9¼-9½ per cent respectively. cent yesterday, but one and three month rates were left unchanged at 9¼-9½ per cent and 9⅛-9¼ per cent respectively.

UK MONEY MARKET

Extremely large help

Bank of England Minimum Lending Rate 14 per cent (from November 24, 1980)

Day-to-day credit was again in short supply in the London money market yesterday, and the authorities gave assistance on an extremely large scale. This comprised small purchases of Treasury bills and a very large amount of commercial bills, all direct from discount houses. Factors against the market included a large excess of revenue transfers to the Exchequer over Government disbursements, despite an approximate £400m paid out in gilt dividends, as well as balances brought forward by banks a small way below target. In addition there was a small number of commercial bills maturing in official hands. There were no appreciable factors on the other side.

In the interbank market overnight loans opened at 14¾-15 per cent and rose to 16-16½ per cent before coming back to 15-15½ per cent. During the afternoon rates touched 23-25 per cent before coming back to close at 12-14 per cent.

GOLD

Weaker trend

Gold fell $19 in the London bullion market yesterday to close at $557-560, the lowest level of the day. It opened at $568-571, the day's peak, and was fixed at $567 in the morning, and $564 in the afternoon. Short selling overnight on the release of the U.S. hostages was reflected in the downward trend in early European trading, and the market continued to weaken in the afternoon as a result of further selling when the New York market opened.

In Paris the 12½-kilo gold bar was fixed at FFr 90,400 per kilo ($603.70 per ounce) in the afternoon, compared with FFr 90,500 ($605.66) in the morning, and FFr 89,990 ($607.68) Wednesday afternoon.

In Frankfurt the 12½-kilo bar was fixed at DM 36,720 per kilo ($568.03 per ounce), against DM 36,890 ($576.54), and finished at $563-565 compared with $577-$580.

In Zurich gold closed at $563-$566 against $577-580.

	Jan. 22		Jan. 21	
Gold Bullion (fine ounce)				
Close	$557-560	(£231⅝-232⅝)	$576-579	(£237-238.3)
Opening	$568-571	(£236-236¼)	$570-573	(£234.4-235.7)
Morning fixing	$567	(£234.898)	$576	(£237.232)
Afternoon fixing	$564	(£233.395)	$578	(£238.134)
Gold Coins				
Krugerrand	$572-574	(£237½-238¼)	$594-597	(£244½-245¾)
1/2 Krugerrand	$293-297	(£122½-123¼)	$305-309	(£125½-127¼)
1/4 Krugerrand	$149-153	(£61¾-63½)	$155-159	(£63¾-65½)
1/10 Krugerrand	$60-64	(£25¾-26½)	$62-66	(£25½-27)
Mapleleaf	$568-571	(£235¾-237¼)	$590-592	(£242¾-243¾)
New Sovereigns	$140½-141½	(£58¼-58¾)	$145-146	(£59¾-60)
King Sovereigns	$169-171	(£70-71)	$169½-171½	(£69¾-70¾)
Victoria Sovs	$169-171	(£70-71)	$169½-171½	(£69¾-70¾)
French 20s	$155-157	(£64¼-65¼)	$154-156	(£63½-64¼)
50 pesos Mexico	$703-706	(£292-293¼)	$719-722	(£296-297)
100 Cor. Austria	$554-559	(£230-232)	$565-569	(£232½-234¼)
$20 Eagles	$686-690	(£284½-286½)	$682-686	(£280¾-282¼)

MONEY RATES

NEW YORK

Prime Rate	20
Fed. Fund	18¾-19
Treasury Bills (13-week)	15.64
Treasury Bills (26-week)	14.56

GERMANY

Discount Rate	7.5
Overnight Rate	9.05
One month	9.40
Three months	9.45
Six months	9.35

FRANCE

Discount Rate	9.5
Overnight Rate	10.75
One month	10.9375
Three months	11.4375
Six months	12.1875

JAPAN

Discount Rate	7.25
Call (Unconditional)	8.00
Bill Discount (three-month)	8.84375

LONDON MONEY RATES

Jan. 22 1981	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market deposits	Treasury Bills ⊕	Eligible Bank Bills ⊕	Fine Trade Bills ⊕
Overnight	—	12.25	—	—	—	—	13¾-14	—	—	—
2 days notice	—	—	14⅝-14¾	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	14¼-15½	14½-14¾	—	14¾	15	13¾-14	—	—	—
One month	14⅛-14⅝	14⅛-14¾	14¼-14⅝	16¼-15⅝	14½	14¾-15	13¾	12⅞-13	13⅛	14¾
Two months	14½-14⅛	14⅛-14⅛	—	14⅞-15¼	14⅛	14¾	13½-13⅝	12⅞-12⅞	13½	14½
Three months	14⅛-13⅞	14⅛-14½	14¼-14⅜	14⅛-14½	14⅝	14¾	13¼	12⅞-12⅞	13⅛-13⅛	14
Six months	13⅛-13⅛	13⅝-13⅞	13½	13½-13⅞	13⅞	14⅛	—	—	12⅝-12⅛	13⅛
Nine months	13⅛-13⅛	13⅛-13½	—	13⅝-13⅞	13⅛	14⅛	—	—	—	—
One Year	13⅛-12⅞	13⅛-13⅜	13¼-13⅜	13¼-13½	13⅝	14⅛	—	—	—	—
Two years	—	—	13½	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rates nominally three years 13¾ per cent; four years 13⅞ per cent; five years 13⅝-13¾ per cent. ⊕Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 13⅛-13⅛ per cent four-month trade bills 13¾ per cent.

Approximate selling rate for one-month Treasury bills 12⅞-12⅞ per cent; two-months 12⅞-12⅞ per cent; three-months 12¾-12⅞ per cent. Approximate selling rate for one-month bank bills 13⅛ per cent; two-months 13⅛-13⅛ per cent; three-months 13⅛-13⅛ per cent; one-month trade bills 14½ per cent; two-months 14¼ per cent and three-months 13¾ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 15½ per cent from January 1, 1981. Clearing Bank Deposit Rates for sums at seven days' notice 11½-12 per cent. Clearing Bank Rates for lending 14 per cent. Treasury Bills: Average tender rates of discount 12.8547 per cent.

WORLD VALUE OF THE DOLLAR

Bank of America NT & SA, Economics Department, London

The table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday, January 21, 1981. The exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions.

Bank of America NT and SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT and SA nor the Financial Times assume responsibility for errors.

COUNTRY	CURRENCY	VALUE OF DOLLAR
Afghanistan	Afghani (O)	44.00
Albania	Lek	4.1641
Algeria	Dinar	3.8526
Andorra	French Franc	4.604
	Spanish Peseta	80.175
Angola	Kwanza	27.527
Antigua	E. Caribbean $	2.7025
Argentina	Argentine Paso	2010.00
Australia	Australian $	0.843
Austria	Schilling	14.0825
Azores	Portug. Escudo	53.30
Bahamas	Bahamian $	1.00
Bahrain	Dinar	0.3759
Balearic Isles	Spanish Peseta	80.175
Bangladesh	Taka	15.2817
Barbados	Barbados $	2.01
Belgium	B. Franc (C)	32.057
	B. Franc (F)	32.125
Belize	Belize $	2.00
Benin	C.F.A. Franc	230.20
Bermuda	Bda $	1.00
Bhutan	Indian Rupee	7.92
Bolivia	Bolivian Peso	25.00
Botswana	Pula	0.7339
Brazil	Cruzeiro	68.30
Brit. Virgin Isles	U.S. $	1.00
Brunei	Brunei $	2.0695
Bulgaria	Lev	0.87
Burma	Kyat	6.7271
Burundi	Burundi Franc	90.00
Cameroun Republic	C.F.A. Franc	230.20
Canada	Canadian $	1.1886
Canary Islands	Spanish Peseta	80.175
Cape Verde Isle	Cape V. Escudo	36.51
Cayman Islands	Cay. Is. $	0.835
Cent. Af. Rep.	C.F.A. Franc	230.20
Chad	C.F.A. Franc	230.20
Chile	Chilean Peso (O)	39.00
China	Renminbi Yuan	1.5518
Colombia	Col. Peso (O)	50.97
Comoros Islands	C.F.A. Franc	230.20
Congo-Brazzaville	C.F.A. Franc	230.20
Costa Rica	Colon	8.57
Cuba	Cuban Peso	0.7315
Cyprus	Cyprus Pound	0.3515
Czechoslovakia	Koruna (O)	5.60
DemRep.SaoTome & Principe	S. Tome Dobra	35.488
Denmark	Danish Krone	6.1285
Djibouti Rp. of	Djibouti Franc	172.556
Dominica	E. Caribbean $	2.7025
Dominican Repub.	Domin'cn Peso	1.00
Ecuador	Sucre	28.10
Egypt	Egyptian pound	0.69
El Salvador	Colon	2.50
Equatorial Guinea	Ekuele	160.36
Ethiopia	Birr (O)	2.0491
Faroe Islands	Danish Krone	6.1285
Falkland Islands	Falkland Is. £*	2.4255
Fiji	Fiji $	0.786
Finland	Markka	3.864
France	French Franc	4.604
French C'ty in Af	C.F.A. Franc	230.20
French Guiana	Local Franc	4.604
French Pacific Is.	C.F.P. Franc	80.8091
Gabon	C.F.A. Franc	230.20
Gambia	Dalasi	1.6491
Germany (East)	Ostmark (O)	1.99
Germany (West)	Deutschemark	1.99
Ghana	Cedi	2.75
Gibraltar	Pound*	2.4255
Greece	Drachma	47.10
Greenland	Danish Krone	6.1285
Grenada	E. Caribbean $	2.7025
Guadaloupe	Local Franc	4.604
Guam	U.S. $	1.00
Guatemala	Quetzal	1.00
Guinea Bissau	Peso	34.5077
Guinea Republic	Syli	19.3598
Guyana	Guyanese $	2.5314
Haiti	Gourde	5.00
Honduras Repub.	Lempira	2.00
Hong Kong	H.K. $	5.17
Hungary	Forint	32.5534
Iceland	New I. Krona	6.00
India	Ind. Rupee	7.92
Indonesia	Rupiah	625.00
Iran	Rial	70.00
Iraq	Iraq Dinar	0.2953
Irish Republic	Irish Punt*	1.8712
Israel	Shekel	7.91
Italy	Lira	946.45
Ivory Coast	C.F.A. Franc	230.20
Jamaica	Jamaican Dollar	1.7835
Japan	Yen	198.85
Jordan	Jordan Dinar	0.509
Kampuchea	Riel	n.a.
Kenya	Kenya Shilling	7.576
Kiribati	Australian $	0.843
Korea (Nth)	Won	0.94
Korea (Sth)	Won	662.50
Kuwait	Kuwait Dinar	0.2709
Lao P'pls D. Rep	New Kip	10.00
Lebanon	Lebanese Pound	3.7547
Lesotho	Loti	0.7465
Liberia	Liberian $	1.00
Libya	Libyan Dinar	0.2961
Liechtenstein	Swiss Franc	1.8082
Luxembourg	Lux Franc	32.057
Macao	Pataca	5.305
Madagascar D. R.	MG Franc	230.20
Madeira	PortugueseEscudo	53.30
Malawi	Kwacha	0.8337
Malaysia	Ringgit	2.216
Maldive Islands	Mal Rupee	3.93
Mali Republic	Mali Franc	460.40
Malta	Maltese Pound	0.3535
Martinique	Local Franc	4.604
Mauritania	Ouguiya	46.04
Mauritius	M. Rupee	7.8427
Mexico	Mexican Peso	23.32
Miquelon	French Franc	4.604
Monaco	French Franc	4.604
Mongolia	Tugrik (O)	3.3555
Montserrat	E. Caribbean $	2.7025
Morocco	Dirham	4.3965
Mozambique	Moz. Escudo	28.757
Namibia	Rand	0.7465
Nauru Is.	Aust. $	0.843
Nepal	Nepalese Rupee	12.00
Netherlands	Dutch Guilder	2.1642
NetherlandAntilles	Antilian Guild	1.80
New Zealand	NZ $	1.0363
Nicaragua	Cordoba	10.00
Niger Republic	C.F.A. Franc	230.20
Nigeria	Naira (O)	0.5226
Norway	Norw'g Krone	5.217
Oman, Sultanate of	Rial Omani	0.3456
Pakistan	Pkst. Rupee	9.82
Panama	Balboa	1.00
Papua N.G.	Kina	0.6408
Paraguay	Guarani	137.50
Peoples D. Repub. of Yemen	S. Yemen Dinar	0.3415
Peru	Sol	347.50
Philippines	Ph. Peso	7.58
Pitcairn Islands	NZ $	1.0363
Poland	Zloty (O)	31.00
Portugal	Port. Escudo	53.30
Port Timor	Timor Escudo	n.a.
Puerto Rico	U.S. $	1.00
Qatar	Qatar Ryal	3.6395
Reunion Ile de la	French Franc	4.604
Romania	Leu	4.47
Rwanda	Rwanda Franc	92.84
St. Christopher	E. Caribbean $	2.7025
St. Helena	Pound*	2.4255
St. Lucia	E. Caribbean $	2.7025
St. Pierre	Fr Franc	4.604
St. Vincent	E. Caribbean $	2.7025
Samoa American	U.S. $	1.00
San Marino	Italian Lira	946.45
Saudi Arabia	Saudi Riyal	3.3307
Senegal	C.F.A. Franc	230.20
Seychelles	S. Rupee	5.4958
Sierra Leone	Leone	1.1763
Singapore	Singapore $	2.0696
Solomon Islands	S.I. $	0.7899
Somali Republic	Som. Shilling	6.0241
South Africa	Rand	0.7465
Spain	Peseta	80.175
Spanish Ports in North Africa	Sp. Peseta	80.175
Sri Lanka	S. L. Rupee	17.7077
Sudan Republic	Pound (2)	0.50
Sudan Republic	Pound (1)	0.80
Surinam	S. Guilder	1.80
Swaziland	Lilangeni	0.7465
Sweden	S. Krona	4.4107
Switzerland	Swiss Franc	1.8082
Syria	Syria Pound	3.9262
Taiwan	New Taiwan $ (O)	36.00
Tanzania	Tan Shilling	8.019
Thailand	Baht	20.50
Togo Republic	C.F.A. Franc	230.20
Tonga Islands	Pa'anga	0.843
Trinidad & Tob.	Trin. & Tob. $	2.4063
Tunisia	Tunisian Dinar	0.3985
Turkey	Lira	89.25
Turks & Caicos	U.S. $	1.00
Tuvalu	Australian $	0.843
Uganda	Ug. Shilling	7.576
United Arab Emir.	UAE Dirham	3.6721
United Kingdom	£ Sterling*	2.4255
Upper Volta	C.F.A. Franc	230.20
Uruguay	Urug. Peso	10.09
U.S.S.R.	Rouble	0.6679
Vanuatu	FNH	74.4021
Vanuatu	Aust. $	0.843
Vatican	Italian Lira	946.45
Venezuela	Bolivar	4.293
Vietnam	Dong (O)	2.18
Virgin Islands U.S.	U.S. $	1.00
Western Samoa	Samoan Tala	0.9285
Yemen	Rial	4.57
Yugoslavia	New Y. Dinar	29.57
Zaire Republic	Zaire	3.205
Zambia	Kwacha	0.8033
Zimbabwe	Zim $	0.6329

n.a. Not available. * U.S. dollars per National Currency unit. (O) Official rate. (C) Commercial rate. (F) Financial rate.
(1) Sudan—Official rate for specified exports and imports. (2) Sudan—Official rate for all transactions except specified exports and imports.
(3) Egypt—A different rate applies to certain transactions with non-IMF countries.
(4) From January 1, 1981, Iceland introduced a new crown equivalent to 100 units of old currency.

WORLD STOCK MARKETS

Wall Street lower at 1 pm

A BEARISH forecast on interest rates undercut a weak rally and left stock market prices broadly lower by mid-session.

Salomon Brothers partner Mr. Henry Kaufman said rates could reach record levels this year, with the prime rate exceeding the 21½ per cent peak set late last year. Analysts noted the market has been nervous about the outlook for rates for several weeks and Mr. Kaufman's comments set off a flurry of selling. They said a drop in short interest reported on Wednesday was also a negative.

The Dow Jones Industrial Average lost 9.22 to 937.03 at 1 p.m. The NYSE All Common Index was 77 cents weaker at $74.62, while losses led gains two-to-one on volume of 19m shares, against Wednesday's 1 p.m. figure of 28.19m.

The Oil group was hard hit. Exxon lost 1¾ to $76¾, Texaco ¾ to $43¾, active Mobil 2¾ to $76¼, Phillips Petroleum, also active, dropped 2¼ to $52½, Sun Co. ¾ to $44¼, Sedco 1¾ to $85¾ and Superior Oil 1 to $197½.

Active Cities Service tacked on ⅝ to $50⅝ after climbing about three points on Wednesday. It said it understands that Mesa Petroleum bought 855,400 shares or about 1 per cent of its stock on Wednesday. Mesa added ⅞ to $53⅞.

Bankamerica which reported flat fourth-quarter results the day before, lost 1½ to $27½. Westinghouse also reported flat December-quarter net profits and lost ⅛ to $27.

Delta Airlines rose 1 to $61¾ on more-than-doubled second-quarter profits. Boeing lost ¼ to $40¾ even though it won an order from American Airlines for 15 Boeing 757 jets with an option for 15 more. American tacked on ⅛ to $9⅞. International Paper's fourth-quarter earnings more than doubled and it edged up ½ to $41½.

THE AMERICAN SE Market Value Index lost 2.45 to 341.08 at 1 pm in moderate trading. Volume 2.57m shares (3.40m).

Oils were weak. Volume leader Gulf Canada eased ¼ to $20¼, Dorchester Gas $1 to $23¼. Dome Petroleum was unchanged at $65¾, its FFr 100m 5¾ per cent bond was priced at par.

Closing prices for North America were not available for this edition.

Canada

The market was lower in moderate noon trading, after retreating from mid-morning levels. The Toronto Composite Index, up five points earlier, was off 2.6 at 2241.2 at noon. Volume eased to 2.22m shares from 2.4m on Wednesday. The Golds Index lost 10.2 to 4300.4, while the Metals and Minerals shed 14.8 to 2203.9. Oil and Gas, however, added 3.4 to 4450.1.

Dome Mines shed ½ to C$98½, Campbell Red Lake ¾ to C$64½, Inco ¼ to C$22¾ and Alcan ½ to C$32.

Volume leader Gulf Canada was off ¼ to C$24¾. Dome Petroleum gained ½ to C$78½ and Turbo Resources 1½ to C$27 while Husky lost ½ to C$19¾. Massey-Ferguson picked up ⅛ to C$5⅜.

Tokyo

Share prices fell on increased profit-taking with buyers cautious about current high prices, in spite of fairly active buying by foreign investors.

The Nikkei-Dow Jones Average shed 22.05 to 7,293.28 on trading volume of 400m shares.

The Tokyo SE Index closed 0.02 off at 508.68. The further fall on Wall Street also discouraged market sentiment.

Light Electricals, Steels, Shipbuildings, Oils and leading Blue Chips declined under the pressure of profit-taking, but Machines, Drugs and Chemicals were higher on bargain hunting.

Fuji Photo Film fell Y14 to Y970, Takeda Pharmaceutical Y5 to Y726, Hitachi Shipbuilding Y3 to Y196, Sumitomo Metal Y2 to Y186, Nippon Elec. Y8 to Y580 and Matsushita Elec. Y4 to Y856.

Among Precisions and high-priced Electricals, Canon lost Y17 to Y880 but Ricoh added Y11 to Y671, while SDWY rose Y20 to Y3,260, but Victor Japan fell Y10 to Y2,790. Buying by European and American pension funds pushed up Sumitomo Bak-lite Y16 to Y377, Makino Million Machine Y25 to Y899 and Alps Elec. Y60 to Y1,270.

Hong Kong

Shares closed weaker but well above the day's lows in moderately active trading, with the Hang Seng Index losing 13.79 to 1,532.27.

Prices opened sharply lower after heavy selling in major stocks overnight in London and moved down after a hesitant start.

Dealers estimated the Index must have been 100 points down, including Wednesday's 45 point fall, before technical buying pressure came through about mid-morning, which first steadied prices and then pushed them up towards the close.

Among leaders, Cheung Kong eased 75 cents to HK$35, HK Land 40 cents to HK$22.40, Jardine Matheson 70 cents to HK$24.60 and Swire Pacific "A" 20 cents to HK$14.90.

HK Bank shed 20 cents to HK$22, Hutchison Whampoa 10 cents to HK$18.70 and HK Wharf 5 cents to HK$9.85, while Hang Seng Bank was steady at 168 and HK Electric added 20 cents to HK$8.

Elewhere: Hang Lung lost 90 cents to HK$26.70, Carrian 35 cents to HK$8.90, China Light and Power 20 cents to HK$24.20 and New World 10 cents to HK$6.40.

Australia

Stocks again eased as early bargain-hunting evaporated in a bout of selling near the close. The downturn was given impetus by a discouraging drill report from Strata Oil's Woodada No. 3 well and Strata finished 45 cents down at A$3.70.

The Australian All Ordinaries Index, up 0.3 at the end of the first session, finished 3.2 weaker at 678.8, a loss of nearly 50 points since January 7.

Among leaders, BHP firmed 5 cents to A$15.50, CSR lost 10 cents to A$6.70, Peko dropped 10 cents to A$8.70, WMC fell 18 cents to A$5.10, MIM rose 5 cents to A$4.05. CRA was 6 cents weaker at A$8.24 and Queensland Mines lost 30 cents to A$9.20.

However, scattered Coals posted rises, led by Coal and Allied which added 50 cents to A$14.00, while Howard Smith rose 20 cents to A$8.70.

The Industrial sector, which has recently been resisting selling pressure, also tended to ease, but small gains were registered among Retailers and Merchants.

Germany

Most leading shares closed slightly lower from Wednesday's close, in mainly dull trading.

Prices tended downwards until the Bundesbank announced a cut in minimum reserve requirements and higher rediscount quotas, at which point the market gained a little momentum and some shares edged higher.

In otherwise slightly lower Industrials GHH closed unchanged at DM 194, after forecasting a small turnover rise in the year to end-June, 1981.

Banks closed mixed with Deutsche unchanged at DM 279 after opening down DM 1.50.

Paris

Share prices tended narrowly mixed in a fairly quiet market with no new factors apparent.

In mixed Electricals CGE put on FFr 1 to FFr 371 after estimating higher group net profits of FFr 550m for 1980. Rhone-Poulenc, however, slipped 50 centimes to FFr 81 after announcing an expected group loss in its textile division which is to shed 3,500 jobs this year.

Sectors to lose ground included Engineerings and Oils where Elf Aquitaine eased FFr 13 to FFr 1,170 and CFP dropped FFr 2.80 to FFr 218.20.

COMMODITIES AND AGRICULTURE

Strike paralyses Zambia's main copper producers

BY ROY HODSON

THE ZAMBIAN copper industry was at almost a complete standstill last night because of strike action.

The strike started four days ago and spread quickly among the two main producers, Nchanga Consolidated Copper Mines and RDAW Consolidated Mines. Together, the two companies produce about 600,000 tonnes of copper annually.

Their output places Zambia fifth in the world league table of copper producers. The sales of copper and cobalt by the two companies account for more than 95 per cent of Zambia's foreign exchange earnings.

Nchanga, Zambia's biggest state-owned copper company, reported the strike was 100 per cent. RDAW Consolidated said all its divisions had been affected.

The strike started at one Nchanga division in protest against the expulsion of senior officials of the Mineworkers' Union of Zambia from the country's only legal political party. They were accused of mounting continued opposition to a new local government system introduced last year.

Political leaders are accusing the strikers of being bent on plunging the country into chaos.

Market reaction to the news was fairly muted, however. With the recession hitting industrial production, worldwide demand for copper has been very slack and there are plentiful supplies available.

Initially "bears" on the London Metal Exchange were encouraged to cover against prices a few pounds. But the earlier sales and this lifted rise was shortlived and by the close cash copper wirebars were quoted £11.25 down at £768.25 a tonne—less than £5 above the 1980-81 low.

Rising stocks of aluminium in Japan are causing concern as the Government considers whether to support a strategic stock of ingot metal.

Showa Aluminium Industry sai din Tokyo it will temporarily stop production at a smelting plant with an output of 15,000 tonnes a year in order to check an increasing stock of metal.

The company has an overall production capacity of 179,000 tonnes of primary metal at three plants. Nearly 50,000 of that capacity has already been withdrawn from production because of over production.

The company said the fresh cut in production capacity had been made inevitable because of rising fuel costs, larger stocks, increased imports and falling domestic demand.

EEC wheat stocks to increase

BY OUR COMMODITIES STAFF

EEC WHEAT stocks are likely to rise by 2m tonnes in July compared with the figure a year earlier, partly as a result of the U.S.-led embargo on grain sales to the Soviet Union, American farmers were told yesterday.

M. Philippe Neeser, president of the French Cereal Producers' Association, told the U.S. National Association of Wheat Growers, annual convention in Minneapolis that the Community had been, and still was, the only partner of the U.S. literally to respect the embargo, imposed in protest at Russia's military intervention in Afghanistan.

EEC stocks were already at an unacceptable level, he said, adding that, because prices had not changed since last year, there had been a noticeable drop in the income of European producers.

Canadian farmers had lost little through the embargo, admitted Mr. Ivan McMillan, representing a Western Canada growers group.

He said suggestions that Canadian farmers should receive a subsidy to offset embargo losses were nonsense. "We couldn't have delivered it anyway. Besides we have the grain and prices are up, so who took the losses?"

M. Jean-Henri Parotte, executive secretary of the International Wheat Council, told the convention that a strict International Wheat Agreement might not be the answer to world wheat marketing problems.

It was accepted that reserves were necessary to stabilise wheat supply, M. Parotte said, but he argued against attempts to maintain prices in a fixed range. The rate at which costs rose made this idea outmoded.

The future, he said, depended on a spirit of communication, co-ordination and compromise with countries explaining their positions to each other and working together,

Sharp rise in import levies

BRUSSELS—Sales of U.S. wheat at well below world prices in traditional EEC markets have prompted a recent sharp increase in Common Market import levies which has provoked strong protests from European grain traders, Common Market Commission officials said here.

An increase of about $15 in Community levies earlier this month came in response to *evidence of large sales of* U.S. western white wheat in Mediterranean countries at a significant discount to other varieties, they said.

In past years western whites, mostly grown in the Pacific states of Oregon, California and Washington, would have been sold to Iran. Before the overthrow of the Shah, U.S. farmers were selling about 1m tonnes a year to Iran.

About 500,000 tonnes are now being sold to Mediterranean countries like Egypt and Morocco, displacing European grains, the officials estimated.

The Commission decided at the start of the year to bring these "cheap" sales into its calculations for the levy it imposes on grain imports to the Community. The increase in the levy is in line with Common Market policy of setting import levies relative to the lowest prices at which traders can buy grain outside the Community.

Reuter

Decline in consumption of milk

By Richard Mooney

CONSUMERS in England and Wales drank 165,000 fewer pints of milk last year as the established pattern of decline was bolstered by retail price rises which outran the general level of food price inflation.

Figures released by the Milk Marketing Board yesterday provisionally put total sales of milk for liquid consumption from English and Welsh farms in 1980 at 6,348.5m litres, 1.47 per cent down from 1979.

But allowing for the extra leap year day last year, the real decline was 1.74 per cent.

The basic retail price rose 13.3 per cent to 17p a pint in 1980, compared with a 9.5 per cent rise for all foods. The 1½p a pint increase which came into *effect on January 4 this year* means the price has risen 23.3 per cent in less than 11 months.

The rate of decline in consumption compared with 1979 had been gradually reducing after reaching a peak at nearly 3 per cent in May. The December figure was only 1.07 per cent down from the same month a year earlier.

But a new setback can be expected after the January 4 price rise. A similar rise in February 1980 was followed by an increase in the rate of decline which culminated in May's 3 per cent drop.

Fall in price of cocoa

By Our Commodities Staff

COCOA VALUES drifted to new 4½-year lows on the London futures market yesterday as light speculative selling met strictly limited trade buying. Dealers said the market was extremely thin.

There was no heavy downward pressure but with the prospect of further Ivory Coast selling casting a shadow over the market prospective buyers remained extremely cautious. The Ivory Coast is reported to have sold substantial quantities early in the week and might return to the market if prices rose to any extent.

There was also talk of possible Nigerian selling though most traders thought this unlikely in view of relatively high internal prices.

The May futures position in London ended the day £13 down at £867.5 a tonne, the lowest level since April 1976.

John Edwards looks at the impact of the Tate & Lyle closure

Sugar market turns sour

TATE & LYLE'S decision to close its Love Lane can sugar refinery in Liverpool does not just involve the loss of 1,500 jobs. It has many other important implications.

Obviously, the loss of so many jobs in an area of already high unemployment is serious, especially from a company that has traditional links stretching back over several generations.

At the same time, the livelihood of many other people throughout the world could be affected because the Liverpool closure may well result in a cut in raw cane sugar imports from developing countries, whose sugar growing industries were built up to supply the UK market.

Many of these countries, which depend on sugar for the bulk of their export earnings, received categorical assurances they would have a guaranteed market in the Community.

Britain, as one of its conditions for joining the EEC, insisted that developing countries in the Commonwealth dependent on sugar exports to the UK market should be protected. The result was the Lomé Convention agreement between the Community and African, Caribbean and Pacific developing countries which gave cane suppliers guaranteed sales of 1.3m tonnes a year to the EEC for an indefinite period.

That guarantee is now threatened, Tate & Lyle is by far the biggest buyer of cane sugar in the Community and a cut in its refining capacity obviously affects the amount it can buy.

Tate and Lyle was at pains to stress yesterday that even with the closure of the Liverpool refinery it would be able to take most of the cane sugar it already buys under existing contracts.

The company claimed its imports in 1979-80 accounted for 1.17m of the 1.3m tonnes imported, with the rest going to various parts of the Community, especially France where sugar is now competitive with supplies from French colonies.

There should be no difficulty, according to Tate and Lyle and the Ministry of Agriculture, in placing the surplus supplies—estimated at about 80,000 tonnes—in other EEC countries, including possibly Greece.

The Ministry of Agriculture emphasises that the Lomé Convention is between the EEC Commission and African, Caribbean and Pacific developing countries. The Community is responsible for honouring the terms.

But this avoids the real issue. Britain can be said to have an historical commitment to look after the interests of Commonwealth countries, which supply the bulk of the sugar, and this some would argue this cannot be blandly passed on to the rest of the Community, where French beet growers for example will be very glad to seize any opportunity provided by a cut in cane imports.

The cane sugar supplying countries see the forced closure of the Liverpool refinery as the first step in the campaign by the powerful EEC beet sugar lobby to erode the Community's political commitment and undermine the producers' position when the sugar policy is reviewed next year.

It is felt the British Government, and in particular Mr. Peter Walker, the present Minister of Agriculture, has not made sufficient efforts to protect the cane-refining industry

The Labour Government in its White Paper on agricultural policy, Food from our own Resources, encouraged the expansion of the domestic UK beet sugar industry. Mr. Walker has strongly opposed in Brussels plans put forward by the EEC Commission to cut surplus beet production.

Mr. Walker argued that the proposed cuts in production quotas were unfair to Britain, but his opposition has also effectively helped stall the entire plan to cut EEC beet output and, thereby, increased pressure on cane sugar imports.

It was the failure of Brussels to reach agreement on the proposed cut in EEC beet production that drove the final nail in the Liverpool refinery's coffin.

Tate and Lyle says that if plans to cut British Sugar production quotas to 937,000 tonnes had been agreed, the Liverpool refinery could have survived.

But under present conditions, with British Sugar having expanded its market share with aggressive marketing and price cutting, Tate and Lyle simply cannot afford to keep Liverpool going. It is claimed the existing EEC pricing system favours beet production to such an extent that British Sugar has a £20 a tonne advantage over Tate and Lyle.

According to Tate and Lyle, it would be "mad" to continue trying to compete against such a disadvantage. Instead, it feels the expansion of beet production in Britain to 1.1m tonnes is about the maximum that can be achieved, so the rest of the 2.3m tonnes market can be divided between Tate and Lyle and EEC imports.

The company estimates that with the Liverpool refinery closed, it can compete with imports from other EEC countries and earn respectable profits. Tate and Lyle has consistently blamed the EEC for providing much more favourable conditions for beet producers.

But it must also be said that Tate and Lyle's profits have also been undermined by its overcapacity, created partly by the decline in the UK market that has reduced sugar consumption from over 2.7m tonnes to 2.3m tonnes a year.

The loss of production has created a situation where the profitability of the refineries has dropped to unacceptably low levels, threatening the viability of the whole group.

The actual loss by Liverpool last year was only £1.8m, but that was bolstered by increasing production there at the expense of the London and Glasgow plants.

Though Tate and Lyle may emerge stronger as a result of the Liverpool cosure, the cane supplying countries face the prospect of a diminishing market in the Community through no fault of their own and in contradiction of apparently unbreakable guarantees from the UK Government.

Discussing yesterday's closure announcement—Mr. Neil Shaw, Tate and Lyle's managing director, Lord Jellicoe, chairman, and Mr. Frank Thomlinson, managing director.

BRITISH SUGAR AT THE TOP

TATE AND LYLE is now surrendering its position as the number one supplier of sugar in Britain. The new market leader will be British Sugar Corporation, providing it is not hit again by the kind of crop setbacks that reduced its output so drastically in the late 1970s. Looked at in historic terms, it is a triumph for beet over cane sugar.

Under the new market line up, BSC should have the lion's share with 1.1m tonnes of the total market of 2.3m; Tate and Lyle 1.04m; and EEC beet imports (the third alternative source of supply that consumers are keen to maintain) the remainder.

BSC has 17 factories, but these are mainly concentrated in Eastern England, particularly East Anglia, where the bulk of sugar beet is grown.

The face of the industry may change even more if the S. and W. Berisford group is successful in pursuing its bid for British Sugar.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Lower on the London Metal Exchange. The strikes at Roan Consolidated and Nchanga in Zambia prompted light speculative interest in early trading and lifted three months to £807. However, weakness in other commodities caused profit-taking and general selling in copper and forward metal came under pressure thereafter to close the late Kerb at £784, with American selling evident during the afternoon. Turnover: 31,900 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	776-.5	—.25	768-.5	—11½
3 months	800-.5	—.75	791-2	—12½
Settlem't	776.5	—.5	—	
Cathodes				
Cash	768-9	+.5	758-60	—11
3 months	787-8	—.75	778-9	—10
Settlem't	769	......	—	......
U.S. Prod.	—		*88.91	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £776, three months £802, 01, 01.5, 01, 800, 800.5, 801, 800.5. Cathodes, cash £769, three months £787.5. Kerb Wirebars, three months 801, 800, 799, 98, 97, 98. Afternoon: Wirebars, cash £768, early-March £780, three months £791, 92, 92.5, 93, 93.5, 93, 88, 89, 90, 91, 90.5, 91, 91.5, 92. Kerb: Wirebars, three months £792, 91, 90, 89, 88, 89, 90, 91, 90, 89, 88, 87, 86, 85, 84.

TIN—Easier. Hedge selling depressed forward metal to £5,930 in early trading but the market thereafter recovered on good demand for cash metal, physical interest from the U.S. and the weakness of sterling against the dollar. The close on the Kerb was £5,940. Turnover: 1,595 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	5770-5	—57.5	5800-10	—15
3 months	5930-40	—20	5950-60	—8.5
Settlem't	5775	—40	—	......
Standard				
Cash	5770-5	—57.5	5800-10	—15
3 months	5930-40	—20	5950-60	—8.5
Settlem't	5775	—40	—	......
Straits E.	‡530.65	......	—	......
New York	—	......		

Morning: Standard, cash £5,770, three months £5,930. Kerb: Standard, three months £5,940, 50. Afternoon: Standard, three months £5,930, 40, 50, 60. Kerb: Standard, three months £5,950, 40.

LEAD—Little changed as the weakness of other metals prompted light selling and left three months at £292 on the late Kerb. Turnover: 8,700 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	284-.5	—1.75	285-6	+.5
3 months	296-.5	—1.25	297-.5	+2.75
S'ment	284.5	—2.5	—	
U.S. Spot	—	......	*34.7	......

Morning: Cash £285, 84.5, three months £295, 96, 95.5, 96, 96.5. Kerb: Three months £296.5, 96, 95.5. Afternoon: Three months £294, 93, 93.5, 94, 93.5. Kerb: Three months £292, 93, 92.

ZINC—Down, in line with other base-metals. Three months opened around the £330 level but drifted throughout the day to close the late Kerb at £325.5. Turnover: 9,100 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	318-9	—1	313.5-4.5	—4
3 months	329-.5	—2	326-.5	—4.5
S'ment	319	—1	—	
Primw'ts	—	......	*41.5	......

Morning: Cash £318, three months £328, 29. Kerb: three months £329, 29.5. Afternoon: Three months £328, 27, 28.5, 26, 27, 26.5, 26. Kerb: Three months £326, 26.5, 26.

ALUMINIUM—Easier on trade selling which saw three months fall from £810 to £606.5 by the close of the late Kerb. Turnover: 5,675 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Spot	585.5-6	—11	585.5-6.5	—7.5
3 months	607.5-8	—9.5	605.5-7	—8.75

Morning: Three months £608, 07, 08, 07.5. Kerb: Three months £607, 06, 05, 06, 06.5, 07. Afternoon: Three months £606, 05, 06, 05.5, 06, 06. Kerb: Three months £606.

NICKEL—Gave ground on persistent selling which saw three months ease from £2,620 in early trading to close the late Kerb at £2,572.5. Turnover: 390 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
Spot	2610-5	—	2572-5	—38.5
3 months	2610-5	—	2560-5	—35

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

Morning: Cash £2,615, three months £2,610. Kerb: Three months £2,610. Afternoon: Cash £2,587, early-Feb. £2,570, three months £2,600, 2,590, 85, 80, 70, 65. Kerb: Three months £2,565, 70, 75.

SILVER

Silver was fixed 14.05p an ounce lower for spot delivery in the London bullion market yesterday at 618.8p. U.S. equivalents of the fixing levels were: spot $14.96, down 39.3c; three-month $15.618, down 41.2c; six-month $16.219, down 39.1; and 12-month $17.301, down 39.6c. The metal opened at 620p-629p ($15-15.2), and closed at 598p-607p ($14.4-$14.6).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	618.80p	—14.0	600	—35
3 months	639.30p	—14.9	620	—36.5
6 months	659.30p	—14.9	—	......
12 months	770.00p	—15.5	—	......

LME—Turnover: 168 (203) lots of 10,000 ounces. Morning: cash 614, three months 640, 36, 35, 34.5. Kerb: three months 635, 34, 34.5. Afternoon: three months 620, 18, 16, 15, 18, 20, 19, 20, 21, 22, 25, 24, 23, 22, 21, 20. Kerb: three months 622, 21, 18, 17.

COCOA

Cocoa futures continued to ease as further trade hedging of producer sales caused prices to trade at new life of contract lows. Modest offtake was found amongst consumers who maintained their scale down purchasing policies, reports Gill and Duffus.

COCOA	Yes'rday's Close	+ or —	Business Done
March	841-848	—13.0	850-840
May	867-868	—13.0	876-865
July	892-894	—11.5	900-891
Sept.	914-915	—9.0	920-913
Dec.	946-947	—9.0	952-915
March	968-970	—8.5	975-968
May	988-990	—9.5	993-989

Sales: 2,946 (2,708) lots of 10 tonnes.

ICCO Futures—Daily price for Jan. 21 95.78 (95.54); 10-day average 95.19 (95.20): 15-day average 95.84 (95.96).

COFFEE

Despite values breaking through recent chart points, further scale down trade support emerged absorbing early commission house selling, reports Drexel Burnham Lambert. Turnover was once again disappointing with the market locked in a narrow range, until trade buying inspired a £10 rally on the close which triggered some late dealer shortcovering operations.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
January	1005-08	+3.5	1009-993
March	1033-35	+9.5	1037-17
May	1046-47	+7.5	1048-32
July	1056-60	+6.5	1061-44
Sept.	1067-75	+5.5	1072-55
Nov.	1066-70	—8.5	1066-63
Jan.	1060-65	—0.5	—

Sales: 1,868 (2,055) lots of 5 tonnes.

ICO Indicator prices for January 21 (U.S. cents per pound): Other Mild Arabicas 127.50 (131.17): Robustas ICA 1976 121.75 (123.76): ICA 1968 122.00 (124.00). Unwashed Arabicas 223.00 (same). Comp. daily ICA 1968 unquoted.

WOOL FUTURES

BRADFORD WOOL—Merino top business improved along with the strong rise in Merino prices. Crossbreds were occasionally firmer, for finer qualities, but coarser types were no more than steady.

SYDNEY GREASY WOOL—Close (in order buyer, seller, business, sales). Australian cents per kilo. March 486.5, 487.0, 492.0-486.0, 156; May 502.0, 503.0, 507.0-500.5, 239; July 516.5, 516.9, 521.0-516.0, 215; Oct. 514.3, 515.0, 519.0-512.0, 50; Dec. 519.0, 520.0, 522.4-519.8, 20; March 525.0, 525.6, 526.0-526.0, 1; May 529.0, 531.0, 532.0-592.0, 31; July 532.0, 534.0, 536.0-535.0, 30. Sales 742.

LONDON NEW ZEALAND CROSS-BREDS—Close (in order buyer, seller, business, sales). New Zealand cents per kilo. Jan. 345 buyer, nil, nil; March 355, 359, 357, 1; May 358, 362, 360, 1; Aug. 370, 375, 372, 1; Oct. 372, 375, nil, nil; Dec. 380, 381, nil, nil; Jan. 377, 382, 379, 1; March 382, 386, 383-381, 5; May 384, 389, 386, 1. Sales 10.

GRAINS

M'nth	WHEAT Yesterd'ys close	+ or —	BARLEY Yesterday close	+ or —
Jan.	105.75	—0.40	96.30	—0.40
Mar.	108.20	......	98.65	—0.20
May	112.40	+0.10	102.40	—0.20
July	116.40	+0.10	—	—
Sept.	100.35	—0.25	95.40	—0.10
Nov.	104.25	—0.20	99.25	—0.10

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 2 14 per cent Feb. 109.00, March 109.50, transhipment East Coast sellers. U.S. Hard Winter 13½ per cent Feb. 103.75, March 104.25 transhipment East Coast sellers. English Feed fob Feb. 110, March 112, April/June 116.50 East Coast sellers. *Maize: French Jan. 121, Feb.* 122.50, East Coast sellers. S. African Yellow Feb./March 89.50 seller. Barley: English Feed fob Feb. 102.25, March 103.75, April/June 107 East Coast sellers. Rest unquoted.

Business done—Wheat: Jan. 106.45-105.50, Mar. 108.40-107.90, May 112.55-112.10, July 116.55-116.15, Sept. 100.40-100.40, Nov. 104.30-104.25. Sales 264 lots of 100 tonnes. Barley: Jan. 96.90-96.30, Mar. 99.00-98.65, May 102.80-102.40, July, Sept., Nov. no trade. Sales 140 lots of 100 tonnes.

HGCA — Locational ex-farm spot prices. Feed barley: S. East 95.00, S. West 96.00, N. West 97.00. Other milling wheat: N. West 108.80. The UK monetary coefficient for the week beginning Monday, January 26 is expected to decrease to 0.849.

RUBBER

The London physical market opened easier with fair interest at lower levels, closing quietly steady. Lewis and Peat reported an fob February price for no. 1 RSS in Kuala Lumpur of 304 cents a kilogramme and SMR 20 at 255.5 cents.

No. 1 R.S.S.	Yest'rd'ys close	Previous close	Business Done
Feb.	55.80-56.50	55.70-56.30	—
Mar.	57.50-57.80	57.60-57.70	—
Apr-Jne	59.70-59.80	60.10-60.20	60.20-59.50
Jly-Sept	62.90-63.00	63.20-63.50	63.20-62.40
Oct-Dec	66.00-66.10	66.20-66.40	66.10-65.50
Jan-Mar	68.30-69.00	69.10-69.20	69.00-68.40
Apl-Jne	71.80-72.00	72.00-72.20	71.40
Jly-Sept	74.80-75.00	75.10-75.20	74.40
Oct-Dec	77.80-77.90	78.10-78.30	77.90-77.50

Sales: 336 (498) at 15 tonnes, and none at 5 tonnes. Physical closing prices (buyer) were: Spot 55.00p (55.50p), Feb. 59.75p (60.50p), March 60.00p (60.75p).

SOYABEAN MEAL

The London market opened around £1.00-£1.50 easier on trade and commission house selling, reports T. G. Roddick. Prices continued to drift on renewed liquidation to close with losses of £3.00-£3.50 on the day.

	Yest'rd'ys Close	+ or —	Business Done
	£ per tonne		
February	120.20-20.8	—3.15	122.50-20.30
April	125.40-25.8	—3.40	127.00-23.50
June	125.50-26.8	—2.90	129.00-25.70
August	126.00-27.0	—3.40	129.00-26.50
October	126.90-27.2	—2.65	129.60-26.50
December	126.50-28.0	—2.75	—
February	127.00-30.0	—3.25	—

Sales: 325 (86) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar) £245.00 (£250.00) a tonne cif for Jan.-Feb.-March shipments. White sugar daily price was £280.00 (same).

Sell-at-best orders caused the market to open irregular with quotations some £8.00 below overnight levels. Further losses of some £4 were recorded later but these were recovered on some scattered short-covering late in the afternoon, reports C. Czarnikow.

No. 4 Contract	Yesterd'ys Close	Previous close	Business Done
	£ per tonne		
Mch	284.50-85.00	272.75-73.00	277.00-61.00
May	265.75-65.80	272.75-73.25	277.25-62.00
Aug	262.75-63.50	268.50-69.00	271.50-59.00
Oct	258.00-59.00	264.00-75.00	258.00-65.00
Jan	241.00-44.00	246.50-48.00	244.00-40.00
March*	241.00-43.00	246.00-47.00	244.00-40.00
May	240.00-44.00	245.00-47.00	—

Sales: 9,258 (9,461) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £342.5 (same) a tonne for home trade and £333.0 (£339.50) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean port. Prices for January 21: Daily price 25.72 (25.95). 15-day average 28.70 (28.89).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 242 tonnes, bringing the total for the week so far to 606 tonnes.

Further sustained interest was shown in a number of growths, mainly in the *American-type range. Buyers adopted* a less cautious tone and were ready to put down additional requirements.

POTATOES

LONDON POTATO FUTURES—The market was featureless, trading in a narrow range all day, reports Coley and Harper. Closing prices: Feb. 48.00 —50 (48.00 one trade): April 60.60 —30 (high 61.00, low 60.60); Nov. 53.90 +30 (high 54.00, low 53.90). Turnover: 71 (147) lots of 40 tonnes.

★

HIDES — Manchester: Virtually unchanged. Second clears. Ox 31/35.5 kilos, 35.7p a kilo (35.5p a kilo); 26/30.5 kilos, 39.2p, (39.5p): 22/25.5 kilos, 44.5p, 44.1p a kilo withdrawn). Light cows 36p (34.1p a kilo withdrawn).

★

GRIMSBY FISH—Supply: poor, demand: good. Prices at ship's side (unprocessed) per stone: Shelf cod £5.00-£6.00, codlings £4.80-£5.10. Large haddock £5.40-£6.20, medium £5.20-£6.00. Rockfish £3.30. Reds £3.40.

MEAT/VEGETABLES

SMITHFIELD—Pence per pound. Beef: Scotch killed sides 63.0 to 73.0. Veal: Dutch hinds and ends 108.0 to 112.0. Lamb: English small 56.0 to 64.0, medium 58.0 to 62.0, heavy 46.0 to 60.0. Pork: English, under 100 lbs 44.0 to 49.0, 100-120 lbs 41.0 to 48.0, 120-160 lbs 38.5 to 46.0.

MEAT COMMISSION—Average fatstock prices at representative markets on January 22. GB cattle 84.75p per kg lw (—0.65). UK sheep 139.33p per kg est dcw (+5.98). GB pigs 66.21p per kg lw (—0.87).

COVENT GARDEN—Prices for the bulk of produce in sterling per package except where otherwise stated: Imported Produce: Oranges—Jaffa: Shamoutis 50/189 4.20-5.05; Spania: Navelinas 48/54 5.00, 60 4.40, 70 4.20, 80/90/100 4.00, 112 3.80, 135/150 3.50: Moroccan: Hamlins 88/110 3.50-3.60: Egyptian: Baladi 88/25 2.00: Cypriot: Shamoutis 15-kg 42/112 3.50. Sours—Seville: 6.00-6.20. Lemons—Spania: Trays 25/54 2.60-2.80; Cypriot: 10-kg 4.00-4.50; Egyptian: 2.20; Greek: 2.60; Italian: 100/120 4.00-4.50; S. African: 80/100 6.50-7.00; Californian: 95/140 6.80-7.20; Jaffa: 105/125 6.00-6.20. Grapefruits—Cypriot: 20-kg 40/64 3.20-4.20; Jaffa: 20-kg 36 4.45, 40 4.50, 48 4.65, 56 4.30, 64 3.95, 75 3.65; Egyptian: 15-kg 1.80-2.00. Satsumas—Spania: 90/105/128 3.20, 144 3.00; 154 2.80, 168 2.50, 192 2.40. Clementines—Moroccan: 3 3.20, 4 3.00, 5 2.80, 6 2.60. Apples—French: Starkcrimson 40-lb 4.50-5.50, Golden Delicious 20-lb 72 2.40, 84 2.00, 40-lb 125/175 4.20-5.40. Granny Smith 40-lb 4.80-5.80, 20-lb 72 3.00, 84 2.40; Italian: 40-lb Romes 60/70 4.00; Hungarian: Starking 44-lb 5.50: Canadian: Red Delicious 160/180 7.50-8.00, McIntosh Red 160/180 6.00: U.S.: Red Delicious 8.00-9.00; Belgian: 28-lb per pound Cox's 0.10-0.12. Pears—Dutch: Conference per pound 0.14: Italian: Passacrassana 0.10-0.12. Plums—*S. African: Santa Rosa per 11-lb* 3.50-4.00, Gaviotas 4.95-5.50. Apricots—S. African: 11-lb 3.50-5.00. Grapes—Spanish: Almeria 2.60. Napoleon 3.20: U.S. Red Emperor wrapped 10-lb 6.00-6.50, 23-lb 8.00: S. African: Queen of the Vineyard 9-lb 6.00, Alphonse 9.00, Dan Ben Hanna 8.00: Chilean: Perlette, per 11-lb 9.00.

Strawberries—Israeli: 8 oz per punnet 0.65: Mexican: 12 oz 1.00: U.S.: 12 oz 1.20. Pineapples—Ivory Coast: Each 0.45-1.00. Bananas—Colombian: Per pound 0.19. Melons—Spanish: Green 7/11 4.50-5.00: Brazilian: Yellow 10/12 10.00. Avocados—Canary: 6.00: Florida: 14/24 6.00: Israeli: 6.00. Tomatoes—Spanish: 2.00: Canary: 2.50-3.00. Onions—Spanish: 5.20; Dutch: 2.80-3.00. Potatoes—Italian: New crop 2.80; Canary: Per pound 0.15: Egyptian: 44-lb 3.30-3.50. Cabbages—Dutch: White 4.00. Cauliflowers—French: 24's 5.00-5.50; Jersey: 5.00. Cucumbers—Canary: 10/16 3.80-4.00. Capsicums—Canary: 4.00-4.50; Spanish: 5/6-kg 3.60. Red Capsicums—Canary: 6.00-6.50. Chicory—Belgian: Per box 2.00-2.20. Celery—Spanish: 18/36's 4.00-5.00. Carmel: 2//28 6.40-6.80. Fennel—Italian: 20-lb 7.00. Aubergines—Canary: 13-lb 6.00.

English Produce: Potatoes—Per bag 1.60-2.20. Mushrooms—Per pound 0.40-0.60. Apples—Per pound Bramleys 0.05-0.12, Spartans 0.10-0.14, Cox's Orange Pippinsh 0.08-0.22. Russets 0.10-0.16, Starking 0.08-0.10. Laxtons 0.08-0.09. Pears—Per pound Conference 0.06-0.14, Comice 0.14-0.18. Cabbages—Per bag 1.40, White 3.00. Cauliflowers—Per 12 Kent 4.00. Beetroots—Per bag 1.50-2.00. Lettuces—Per 12, round 1.80-2.00. Sprouts—Per pound 0.05-0.06. Leeks—Per 10-lb 2.00. Rhubarb—Per pound forced 0.20-0.22. Carrots—Per 28-lb 1.60-1.80. Onions—Per bag 2.70-3.20.

PRICE CHANGES

	Jan. 22 1981	+ or —	Month ago
Metals			
Aluminium	£810/815	......	£810/815
Free Mkt	$1445/1475	......	$1450/470
Copper			
Cash w'bar	£768.25	—11.25	£805.75
3 mths	£791.5	—12.75	£826.5
Cash Cathode	£759	—11	£786.6
3 mths	£778.5	—10	£806.5
Gold troy oz	$558.5	—19	$604.5
Lead Cash	£282	—3.5	£312.75
3 mths	£295.75	—3.5	£324.25
Nickel	£3,226.57	......	£3,216*
Freemkt	280/290c	......	275/285c
Platin'mtr'y oz	£202		£202
Freemkt	£218.05	—9.15	£250
Quicksilver†	$370/380	+10	$360/370
Silver troy oz	618.80p	—14.05	694.15p
3 mths	639.30p	—14.95	717.65p
Tin Cash	£5,805	—15	£6,235
3 mths	£5,955	—8.5	£6,355.5
Tungsten22.04lb	$143.90	......	$141.97
Wolfrm 22.04 lbs	$147/150	......	$140/145
Zinc Cash	£314	—4	£325.5
3 mths	£326.25	—4.5	£337.5
Producers	$825	......	$823
Oils			
Coconut (Phil)	$640x	......	$610
Groundnut	‡	......	‡
Linseed Crude	£412	......	£460
Palm Malayan	$640x	—5	$622.5
Seeds			
Copra Philip	$420	......	$420
Soyabean U.S.	$321.50	......	$350
Grains			
Barley Futures	£698.65	—0.20	£98.80
Maize			
French	£121	......	‡
Wheat			
No 1 Red Spg.	‡	......	‡
No2 HardWint	£103.75y	......	£106.25
Eng. Millingt	‡	......	‡
Other commodities			
Cocoa ship't	£927	—13	£979
Future May	£867.5	—13	£905.5
CoffeeF t'Mar.	£1,034	+9.5	£1054
Cotton A.Index	99.55c	+0.05	99.90c
Rubber (kilo)	55p	—0.50	57p
Sugar (Raw)	£245	—5	£507
Woolt'ps 64s kl.	301p kilo	+2	297p kilo

† Unquoted: w March. y Feb. x Jan.-Feb. u Feb.-March. t April. z Indicator. § Buyer. ‡ Per 75 lb flask. * Nominal.

AMERICAN MARKETS

NEW YORK, January 22.

PRECIOUS METALS and copper suffered major setbacks as interest rates advanced again. Sugar declined on reports of sales and offerings below current spot quotations, but finished on the highs. Coffee prices rallied on dealer and roaster buying. Cocoa declined on increased offerings from the Ivory Coast. Cotton ran into liquidation following a bearish report on plating intentions. The cattle complex collapsed on weak cash fundamentals, hogs and bellies advanced sharply. Stop-loss selling resulted in heavy losses in maize, wheat and soyabeans although markets recovered from their worst losses, reported Heinold.

Copper—Jan. 81.90 (84.80), Feb. 82.30 (85.35), March 83.50-83.70, May 86.50-86.60, July 88.50, Sept. 90.80, Dec. 93.55, Jan. 94.40, March 96.15, May 97.75, July 99.35, Sept. 100.95. Sales 8,500.

Potatoes (round whites)—March 145.0 (143.1), April 168.4-169.0 (165.5), Nov. 87.0. Sales 1,871.

Sugar—No. 11: March 27.10-27.30 (27.82), May 27.40-27.60 (27.84), July 27.50-27.80, Sept. 26.90-26.95, Oct. 27.00-27.10, Jan. 24.75-25.30, March 25.20-25.30, May 25.10-25.15. Sales: 11,814.

Tin—647.0-650.0 (653.0-658.0).

CHICAGO, January 22.

Lard—Chicago loose 19.50 (19.25).

Live Cattle—Feb. 64.25-64.35 (64.77), April 67.52-67.60 (68.42), June 70.00-70.10, Aug. 70.60-70.50, Oct. 69.20, Dec. 70.35-70.25, Feb. 71.50.

Live Hogs—Feb. 47.17 (45.67), April 48.15-48.05 (46.67), June 52.60-52.65, July 53.70, Aug. 53.25-53.00, Oct. 51.95, Dec. 54.72, Feb. 56.70, April 56.70.

‡‡Maize—March 367¼-368¼ (373¼), May 377½-378 (383¼), July 382¼-382½, Sept. 377½, Dec. 371-371½, March 381.

Pork Bellies—Feb. 54.65 (52.65), March 55.40 (53.40), May 57.12, July 59.25, Aug. 58.40, Feb. —.

Silver—Jan. 1455.0 (1495.0), Feb. 1460.0 (1500.0), March 1480.0, April 1500.0, June 1543.0, Aug. 1586.0, Oct. 1629.0, Dec. 1672.0, Feb. —, April —, June 1801.0, Aug. —, Oct. 1877.0, April —, June —.

†Soyabeans—March 745-747 (774), May 772-773½ (801¼), July 799½-797, Aug. 806, Sept. 809½-809, Nov. 821½-822, Jan. 841, March 861-863.

‖Soyabean Meal—March 219.0-218.5 (227.8), May 226.1-226.5 (235.2), July 232.5-233.0, Aug. 234.5-234.9, Sept. 237.0, Oct. 236.0, Dec. 238.5, Jan. 240.0-242.0, March —, May —.

Soyabean Oil—March 23.30-23.35 (24.02), May 24.25 (24.91), July 25.10-25.05, Aug. 25.40-25.45, Sept. 25.75, Oct. 26.05, Dec. 26.60, Jan. 26.75-26.80, March 27.00-27.20, May —.

†Wheat—March 481-482 (492¼), May 490-491 (502¼), July 481, Sept. 494, Dec. 516, March 532½.

WINNIPEG, January 22.

§Barley—March 154.70 (157.00), May 156.10 (158.70), July 156.20, Oct. 157.50, Dec. 157.00.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq feet. ‡ Cents per dozen. †† $ per metric ton.

Wednesday's closing prices

††Cocoa—March 1977 (2007), May 2030 (2056), July 2080, Sept. 2129, Dec. 2192, March 2247, May nil. Sales: 1,420 (995).

Coffee—"C" Contract: March 127.01-127.25 (127.08-130.37), May 129.10-129.25 (129.21-132.76), July 130.70-130.75, Sept. 132.30, Dec. 132.25-133.00, March 131.50, May 129.00-131.50. Sales: 2,035 lots.

Copper—Jan. 84.80 (85.25), Feb. 85.35 (85.90), March 86.60-86.75, May 89.40, July 91.40, Sept. 93.60, Dec. 96.60, Jan. 97.10, March 98.85, May 100.45, July 102.05, Sept. 103.65. Sales: 7,000 lots.

Cotton—No. 2: March 90.25-90.60 (91.42), May 91.60-91.90 (92.77), July 91.70-92.00, Oct. 87.51, Dec. 84.55-84.80, March 85.65-85.80, May 86.30-86.50, July 87.00-87.25. Sales: 5,075.

*Gold—Jan. 565.8 (566.3), Feb. 567.0-569.0 (571.0), March 576.1, April 583.0-585.0, June 599.0, Aug. 614.0, Oct. 629.9, Dec. 639.0-640.0, Feb. 660.0-663.0, April 675.5, June 690.8, Aug. 706.2, Oct. 721.6. Sales: 33,000 lots.

Orange Juice—March 120.05-120.20 (119.10), May 121.75-122.00 (121.00), July 123.40-123.50, Sept. 124.75-124.90, Nov. 124.25, Jan. 122.25-122.50, March 123.25, May 124.25-124.50. Spot 115.00-118.00. Sales: 2,600.

*Platinum—Jan. 53.20 (53.90), March 54.40 bid (55.10), April 54.90-55.00, July 57.15 asked Oct. 59.60, Jan. 61.50 bid, April nil. Sales: 2,213 lots.

§Silver—Jan. 149.00 (153.45), Feb. 149.90 (154.30), March 151.50-154.00, May 156.50-158.60, July 160.50-161.50, Sept. 165.50, Dec. 174.00, Jan. 174.10, March 177.65, May 182.60, July 186.85, Sept. 191.10. Sales: 3,500 lots. Handy and Harman (Bullion) NY, 1534.00 (1515.00).

CHICAGO, January 21.

Chicago Imm Gold—Jan. 565.3 asked (567.5), March 576.0-574.5 (578.5), April 583.1 asked, June 597.5-599.0, July 606.4 *asked, Sept.* 621.7 *asked, Oct.* 629.4 asked, Dec. 644.7 asked, Jan. 652.4 asked, March 667.7 asked.

Lard—Chicago loose 19.25 (20.25).

INDICES

FINANCIAL TIMES

Jan. 21	Jan. 20	Month ago	Year ago
255.98	256.56	263.19	301.63

(Base: July 1, 1952=100)

MOODY'S

Jan. 21	Jan. 20	Month ago	Year ago
1202.6	1195.4	1241.5	1399.0

(December 31, 1931=100)

DOW JONES

Dow Jones	Jan. 21	Jan. 20	Month ago	Year ago
Spot	431.98	434.36	444.14	437.30
Fut'rs	453.01	457.34	467.08	441.35

(Average 1924-25-26=100)

REUTERS

Jan. 22	Jan. 21	M'nth ago	Year ago
1682.2	1686.6	—	1777.1

(Base: September 18, 1931=100)

EUROPEAN MARKETS

ROTTERDAM, January 22.

Wheat—U.S. Two Dark Hard Winter 13.5 per cent Jan. $236, Feb. $232, March $234, April $236, May $238. U.S. No. Two Red Winter Feb. $223, March $225, April $227. U.S. No. Two Northern Spring 14 per cent Feb. $245, March $246, April/May 10 $224, May $223, June $225, July $226.

Maize—Spot $180, Afloat $180, Jan. $180, Feb. $177.75, March $179, April/June $182.50, July/Sept. $184, Oct./Dec. $180, Jan./March $192.

Soyabeans—U.S. Two Yellow Gulfports afloat $314 seller, Feb. $316.50 seller, $315 paid, March $320 seller, $318 buyer, April $325.75, May $330, June $335.75, July $338, Aug.-Sept. $339, Oct. $338.25, Nov. $338, Dec. $344.50 sellers. Argentine/Brazil/Paraguay/Gulf May $328, June $329, July $330 sellers.

Soyameal—44 per cent protein afloat $278, Feb. $282, March $290, April/Sept. $301, Nov./March $311. Brazil Pellets afloat $294, Feb. $298, March $300, April/June $307, April/Sept. $309.50.

PARIS, January 22.

Cocoa (FFr per 100 kilos)—March 920/938, May 948/955, July 971, Sept. 1012/1028, Dec. 1038/1052, March 1060/1075. Sales at call 0.

Sugar (FFr per tonne)—March 3140/3145, May 3085/3095, July 3050/3090, Aug. 3040/3060, Oct. 2890/2930, Nov. unquoted, Dec. 2700/2790, March 2560/2620. Sales at call 0.

LONDON STOCK EXCHANGE

End-Account influences halt recent rise in equities but Gilt-edged securities continue to make progress

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Jan. 12	Jan. 22	Jan. 23	Feb. 2
Jan. 26	Feb. 5	Feb. 6	Feb. 16
Feb. 9	Feb. 26	Feb. 27	Mar. 9

* "New time" dealings may take place from 9 am two business days earlier.

The absence of fresh buying initiative in London stock markets yesterday allowed equity dealers to lower the prices of many top-quality industrials after the previous five-day advance. Designed to shake out nervous holders, this end-Account manoeuvre met with little success and values steadied at the cheaper levels. The exception was the Oil sector where a specialist broker's downgrading of profit estimates for several oils encouraged some selling.

Worries returned about the current UK labour scene which over recent trading sessions had been obscured by increasing hopes of lower inflation and interest rates, and the low level of business did nothing for confidence. Wall Street's continued dullness also undermined sentiment.

In the circumstances, features among leading shares were scarce but Tate and Lyle responded sharply to profits above market expectations and relief that the dividend had been maintained. Rank Organisation's intention to hold its dividend was also well received and the close here was 10 higher at 166p.

Measuring the tone, the FT Industrial Ordinary share index extended a loss of only 0.7 at the 10 am calculation to one of 4.6 an hour later and at the close of 457.1, despite a rise of 12 to 152p in index constituent Tate and Lyle.

Government securities made fresh progress despite the events in equities. The volume of business lessened slightly but small private investors continued to commit funds and the upward movement was sustained by re-investment of part of some large interest payments. Mediums and longs achieved the best rises, ranging to ½, the shorts attaining improvements of only ¼: the latter were probably scenting the possibility of new Government funding today.

After the previous day's increased activity because of the expiry of the January series, business in the Traded Option market contracted considerably. Only 988 contracts were arranged against Wednesday's 2,224. Nevertheless, the Lonrho positions were actively traded and by the close 247 deals had been done, well over half of them in the February 104 series.

Insurances up again

Life Insurances continued to reflect a broker's favourable circular. Sun Life added 6 afresh to 252p, while Equity and Law, 318p, and Pearl, 416p, rose 4 apiece. Hambro Life, however, cheapened a penny to 297p; a large line of shares were reported to have been put through the market at well below the market price. Composites also found support and closed with improvements ranging to 8. General Accident, 292p, and Phoenix, 250p, both added that much. Royals hardened 3 to 350p and the New closed at 355p in fully-paid form.

The banking sector was featured by a jump of 21 to a 1980-81 peak of 283p in Arbuthnot Latham on technical influences. Elsewhere, Union Discount improved 7 to 517p on further consideration of the preliminary results. The major clearing banks edged higher in thin trading.

Noteworthy movements in Buildings were mostly confined to secondary issues among which Y. J. Lovell rose 11 to a 1980-81 peak of 192p in response to satisfactory annual results. Scattered support lifted John Finlan 2 to 91p and Hoveringham 5 to 55p. Demand in a thin market lifted Wilson (Connolly) 4 for a two-day gain of 16 to a 1980-81 peak of 132p, while Barratt Developments and William Whittingham gained 6 apiece to 144p and 116p respectively.

Talk that a broker had downgraded his profits estimates clipped 12 from Brent Chemicals, 140p. Leigh Interests, still responding to a broker's circular, added 4 afresh to 162p. Among smaller-priced Chemical issues, Yorkshire and Arrow both added a couple of pence, to 32p and 23p respectively.

House of Fraser down

Growing belief that the sale of Lonrho's near-30 per cent stake in the company was imminent saw House of Fraser trade lower to 117p before closing a net 5 down at 120p; Lonrho held at 96p. Other Store leaders drifted easeier on lack of support. Gussies A shed 5 to 455p and British Home relinquished 4 to 145p, while Burton declined 3 to 98p. Elsewhere, a late flurry of speculative buying on revived bid hopes left Austin Reed A 4 up at 60p, while Courts Furnishers A hardened a penny to 65p following the interim results. Renewed demand in a thin market prompted a rise of 6 to 148p in Lee Cooper, while Northern Goldsmiths rose 3 to 56p. Lincroft Kilgour were marked down to a 1980-81 low of 15p on the dividend omission and annual deficit before closing 1½ lower on balance at 17p.

Trending easier for most of the day, leading Electricals picked up to close with little change on balance. GEC drifted off to 583p before settling at 590p, up 3 on the day, while Plessey finished a penny lower at 269p, after 266p. Elsewhere, Crystalate came back 2 to 68p after comment on the proposed rights issue by way of Convertible loan stock. Revived demand left MK Electric up 5 at 190p, while H. Wigfall were also supported and put on 8 to 145p.

Leading Engineers traded on a dull note. Revived selling left GKN 8 cheaper at 141p and Hawker a similar amount down at 238p. John Brown eased 3½ to 57½p and Tubes 4 to 166p. The prospects of higher energy costs particularly unsettled Alcan Aluminium, 6 cheaper at 48p, and British Aluminium, down 5 more at 110p. Vosper reacted 7 to 90p after recent speculative demand, while the sharp fall in interim profits left W. G. Allen 4 lower at 26p. Babcock gave up 5 to 89p and profit-taking left Jenks and Cattell 4 down at 78p.

Tate and Lyle's preliminary profits exceeded most analysts' estimates and the close was 12 firmer at 152p, after 154p. Elsewhere in the Food sector, demand for Sompertex continued and the shares, in an extremely thin market, advanced 75 for a two-day gain of 100 to 600p, a rise of 190 since the company announced interim figures on January 13.

Rank Org. pleases

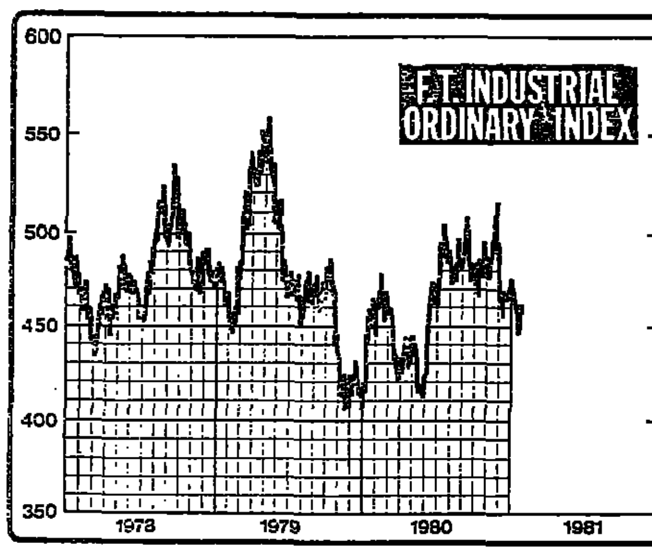
Rank Organisation moved up sharply after-hours to close 10 better at 166p in response to the maintained dividend and annual profits which were in line with market expectations; the associate A. Kershaw also reflected favourable trading news and closed 15 up at 285p. Elsewhere in miscellaneous industrials, Gestetner A were buoyed by the maintained dividend and better-than-expected profits and closed 9 to the good at 74p. Pritchard Services rose 3½ to 119p on renewed speculative support, while Gripperrods remained a good market at 109p, up 7, and Erskine House put on 4 to 31½p. Dom fell 4 to 68p following the profits setback and reduced dividend and Ashley Industrial Trust dipped 4 to 52p on profit-taking in the wake of the results. Hanson Trust lost 5 to 198p and Kalamazoo shed 4 to 72p.

Associated Leisure shed 6 for a two-day fall of 9½ to 117p on worries about the possibility of increased taxes on profits from gaming machines in the coming Budget. Elsewhere in the Leisure sector, Medminster attracted fresh support and added 3 to a 1980/81 peak of 56p.

Motor Components were noteworthy for late dullness in Lucas, down 6 to 178p following the announcement that the company was considering further redundancies. Trading statements caused some excitement among Garage issues; Henlys closed 5½ firmer at 77½p, after 80p, the annual loss and dividend reduction being offset by the chairman's hopes that the reduced dividend could be maintained even if unattractive trading conditions persist. Glanfield Lawrence held at 31p despite the annual loss and dividend ommission, but Heron, which announced an interim loss and dividend reduction on Tuesday, added 2½ for a two-day gain of 4½ to 27½p. Godfrey Davis gained 11 to 160p on the Monopolies Commission's go-ahead for the acquisition by Eurocar of the former's short-term rental business.

News International held at 95p: the company has been confirmed as the buyer of Times Newspapers.

Secondary issues provided the main points in Properties. Daejan put on 10 for a two-day gain of 12 to 174p ahead of next Tuesday's half-yearly results, while Warner Estate added 7 to 315p on higher annual profits. Speculative interest lifted Phoenix Mining and Finance 7 to 52p, but recently firm Westminster Property shed 2 to 35p on the chairman's denial that the company was planning a reverse takeover bid. Trust Securities revived with a gain of 10 to 218p.



Oils fall afresh

Sentiment in Oils was not helped by reports of a broker's adverse circular which led to a continuation of the sector's recent downward drift. Shell, down 8 at 434p, were also unsettled by the company's announcement that it is to give all its dealers a temporary discount on petrol prices due to fierce competition. BP gave up 6 to 388p, while Lasmo fell 10 more to 670p. Among the more speculative issues, Strata Oil weakened 22 to 178p following news that the Woodada 3 well will not be tetsted until next week. Berkeley Exploration, 214p, and Candecca, 198p, lost 6 apiece.

Trusts were featured by a rise of 17 to 282p in Derby Trust in response to the increased annual dividend and earnings. In contrast, Atlantic Assets, down 6 at 218p, reflected continued dullness in the Oil sector. Among Financials, Akroyd and Smithers were dull again at 305p, down 15p, while profit-taking left RP Martin 5 lower at 155p. Britannia Arrow, down ½ at 47p, were again relatively lively.

Among Textiles, scattered support lifted Sirdar 4 to 120p and F. Miller 2 to 62p.

Plantations featured Anglo-Indonesian at 120p, up 8, in response to Press comment. Malakoff found support and touched 122p before closing 3 dearer on balance at 113p. Singapore stocks closed firmer throughout on domestic influences. Seaview Hotels added 10 to 92p and Apollo Hotels rose 9 to 65p.

Tins marked up

An otherwise subdued mining market was featured by a number of Malaysian tins and Australian issues.

In the latter sector, disappointment with the initial testing of the Woodada No. 3 well in the Perth Basin prompted sizeable selling of Strata Oil's major shareholders Haoma Gold and North West Mining which fell 12 apiece to 132p and 84p respectively.

Falls predominated in other Australian issues with the leaders showing Western Mining a further 9 lower at 250p, Pancontinental 5 easier at 520p and CRA 4 cheaper at 256p.

Cons. Gold Fields Australia dropped 30 to 350p, Poseidon 8 to 266p and Spargos Exploration 6 to 32p.

Overnight buying in Kuala Lumpur and Singapore prompted a sharp mark up of Malaysian tins, despite the recent decline in the metal price. Tronoh advanced 40 to 405p, Ayer Hitam 20 to 280p and Malayan Tin 9 to 113p.

South African Golds relinquished all of Wednesday's gains as the bullion price dropped $19 to $558.50 an ounce.

Share prices drifted throughout the day in quiet trading ahead of the December dividends from the Anglo American mines in the Transvaal and the results for the December quarter from all the Anglo mines. The Gold Mines index fell 5.6 to 353.0.

Of the dividend declarers, Vaal Reefs gave up ⅝ to £34⅜ while losses of ⅜ were common to Southvaal, £14⅜, and Western Deep, £24½.

Elsewhere in heavyweight Golds, Western Holdings dropped £1½ to £32¼.

Financials were also a shade easier. In the London-registered issues, Gold Fields lost 10 to 480p and Rio Tinto-Zinc 5 to 398p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1980-81 high	1980-81 low
GEC	25p	8	590	+ 3	620	326
Silkolene Lubricants	25p	7	280	+ 1	280	118
Tate and Lyle	£1	7	152	+12	178	118
Tricentrol	25p	7	294	− 8	428	250
Bowater	£1	6	186	− 1	214	141
BP	25p	6	388	− 6	502	320
GKN	£1	6	141	− 8	279	133
Hanson Trust	25p	6	198	− 5	212	120
ICL	25p	6	46	− 1	196	43
ICI	£1	6	284	− 2	402	282
LASMO	25p	6	670	−10	885	337
P & O Defd.	£1	6	113	—	136	105
Plessey	50p	6	269	− 1	285	108
Racal Electronics	25p	6	308	—	370	175
Barclays Bank	£1	5	395	—	482	327

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Jan. 19	Jan. 30	Apr. 29	May 11
Feb. 2	Feb. 13	May 14	May 26
Feb. 16	Feb. 27	May 28	June 8

For rate indications see end of Share Information Service

Stocks to attract money for the call included Tubes, ICL, Town and City, London Investment Trust, ICL, Myson, Strata Oil, BSG, Premier Consolidated, Charterhouse Petroleum, Sovereign Oil, First National Finance, Higgs and Hill, Lonrho, Hampton Trust and Aran Energy. Puts were arranged in Western Holdings, ICL, Mills and Allen and Boots, while double options were transacted in BP, Shell Transport and Premier.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Thur., Jan. 22, 1981 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Wed., Jan. 21 Index No.	Tues., Jan. 20 Index No.	Mon., Jan. 19 Index No.	Fri., Jan. 16 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (211)	279.13	−0.3	15.22	5.92	8.00	280.04	277.57	274.60	273.00	230.94
2	Building Materials (27)	246.77	—	18.80	7.00	6.34	246.84	244.55	239.25	238.88	222.26
3	Contracting, Construction (26)	419.44	+0.5	21.80	6.06	5.51	417.38	414.43	410.47	411.27	347.90
4	Electricals (27)	915.37	—	9.92	2.87	12.42	915.62	904.12	898.33	889.89	587.31
5	Engineering Contractors (11)	377.95	+0.1	15.78	6.85	8.08	377.59	374.44	379.39	378.50	285.48
6	Mechanical Engineering (71)	164.14	−1.4	18.17	8.11	6.87	166.42	165.43	163.16	162.48	161.86
8	Metals and Metal Forming (13)	129.11	−2.3	20.68	12.93	6.12	132.15	131.54	129.66	129.75	158.66
9	Motors (21)	86.63	−0.4	23.39	9.74	4.94	86.97	87.26	86.67	86.98	112.81
10	Other Industrial Materials (15)	288.52	+0.1	15.99	7.47	7.42	288.11	286.73	282.38	278.74	0.00
21	CONSUMER GROUP (199)	233.51	−0.2	16.33	6.75	7.43	233.86	231.94	229.71	228.92	213.73
22	Brewers and Distillers (20)	256.53	−0.6	18.17	7.13	6.52	258.18	253.77	249.48	249.18	260.21
25	Food Manufacturing (23)	211.39	+0.5	18.64	7.45	6.36	210.25	208.84	207.46	205.96	202.03
26	Food Retailing (14)	469.86	−0.5	9.90	3.30	11.93	471.34	468.92	459.52	458.25	318.29
27	Health and Household Products (7)	249.43	−0.7	10.63	5.72	11.19	251.24	250.50	248.34	248.87	211.12
29	Leisure (22)	339.30	+0.2	16.47	6.76	7.58	338.74	332.75	328.64	327.38	299.83
32	Newspapers, Publishing (12)	425.27	−0.5	21.67	7.29	6.00	427.61	425.07	422.00	422.97	427.53
33	Packaging and Paper (15)	111.27	−0.8	22.88	10.91	4.01	112.21	110.76	110.51	110.52	124.62
34	Stores (44)	240.69	−0.9	12.36	5.23	10.59	242.92	242.37	240.97	239.22	217.34
35	Textiles (21)	124.40	+0.4	20.65	10.85	6.33	123.90	122.86	122.37	122.68	130.41
36	Tobaccos (3)	198.42	+0.3	28.92	11.73	3.93	197.92	195.05	193.57	194.06	217.29
39	Other Consumer (18)	236.56	+0.1	16.20	9.06	7.62	236.45	236.44	236.51	235.78	0.00
41	OTHER GROUPS (78)	207.79	−0.1	19.10	8.24	6.25	208.00	206.95	205.25	206.41	201.34
42	Chemicals (15)	270.79	−0.8	21.61	9.89	5.42	272.87	272.36	271.17	274.88	294.83
44	Office Equipment (6)	100.28	+4.7	20.09	8.28	5.82	95.75	95.23	94.56	93.59	115.62
45	Shipping and Transport (12)	531.21	−0.4	14.42	7.07	8.49	533.28	529.81	520.39	520.58	453.13
46	Miscellaneous (45)	253.40	−0.4	17.48	6.72	7.04	254.31	252.17	249.71	250.06	237.67
49	INDUSTRIAL GROUP (488)	246.27	−0.3	16.32	6.66	7.43	247.05	245.05	242.65	241.91	225.51
51	Oils (12)	855.24	−1.8	23.06	6.15	3.97	870.84	891.99	890.61	893.45	698.15
59	500 SHARE INDEX	294.46	−0.6	18.98	6.54	6.20	296.36	296.20	293.27	293.60	263.07
61	FINANCIAL GROUP (118)	231.59	+0.5	—	5.76	—	230.54	228.84	227.09	228.66	191.94
62	Banks (6)	233.46	+0.2	43.82	7.51	2.73	232.94	234.32	232.09	236.65	219.98
63	Discount Houses (10)	296.87	+0.3	—	5.83	—	295.97	297.41	291.52	290.51	243.27
64	Hire Purchase (5)	207.39	−0.7	11.73	5.04	11.51	208.96	206.32	206.40	202.64	184.64
65	Insurance (Life) (10)	239.72	+0.9	—	5.50	—	237.67	228.69	227.06	223.18	151.04
66	Insurance (Composite) (9)	147.38	+2.0	—	7.94	—	144.43	142.94	142.06	143.93	123.64
67	Insurance Brokers (9)	296.21	+0.1	15.40	7.82	8.83	295.88	294.21	295.08	299.59	293.99
68	Merchant Banks (13)	143.48	+0.1	—	5.39	—	143.39	143.07	143.46	143.25	98.34
69	Property (45)	443.98	−0.3	3.35	2.78	41.52	445.24	442.82	438.10	435.73	346.28
70	Miscellaneous (11)	166.60	−0.3	16.46	5.54	7.72	167.15	166.79	165.30	166.70	128.45
71	Investment Trusts (109)	271.62	−0.5	—	5.55	—	272.91	272.57	272.04	272.12	211.99
81	Mining Finance (3)	218.39	−1.6	15.02	6.14	7.93	221.83	215.05	215.98	214.30	187.18
91	Overseas Traders (20)	424.99	−0.2	12.03	6.91	10.07	425.68	424.75	426.77	429.34	380.49
99	ALL-SHARE INDEX (750)	281.93	−0.4	—	6.34	—	283.19	282.43	280.49	280.79	246.12

FIXED INTEREST PRICE INDICES

	British Government	Thur., Jan. 22	Day's change %	Wed., Jan. 21	xd adj. today	xd adj. 1981 to date
1	Under 5 years	107.48	+0.10	107.37	—	0.89
2	5-15 years	109.16	+0.32	108.81	—	1.23
3	Over 15 years	113.29	+0.35	112.89	—	0.23
4	Irredeemables	127.82	+0.47	127.22	—	0.00
5	All stocks	109.71	+0.27	109.42	—	0.74

FIXED INTEREST YIELDS British Govt. Av. Gross Red.

			Thur., Jan. 22	Wed., Jan. 21	Year ago (approx.)
1	Low Coupons	5 years	11.64	11.66	12.97
2		15 years	12.34	12.39	11.97
3		25 years	12.43	12.49	11.97
4	Medium Coupons	5 years	13.36	13.42	14.12
5		15 years	13.90	13.96	13.57
6		25 years	13.71	13.75	13.45
7	High Coupons	5 years	13.38	13.42	14.57
8		15 years	14.14	14.18	14.05
9		25 years	13.93	13.99	13.76
10	Irredeemables		11.53	11.58	11.03

		Thurs., Jan. 22 Index No.	Yield %	Wed. Jan. 21	Tues. Jan. 20	Mon. Jan. 19	Fri. Jan. 16	Thurs. Jan. 15	Wed. Jan. 14	Tues. Jan. 13	Year ago (approx)
15	20-yr. Red. Deb. & Loans (15)	52.03	†14.23	52.03	52.02	51.96	51.97	52.00	52.16	52.14	50.94
16	Investment Trust Prefs. (15)	51.35	13.15	51.35	51.35	51.35	51.35	51.35	51.15	51.15	47.96
17	Coml. and Indl. Prefs. (20)	68.10	13.19	68.10	67.98	67.86	67.86	67.67	67.99	67.99	62.01

† Redemption yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1980-81 High	Low	Stock	Closing Price p	+ or −
[illegible]							
100	F.P.	23.1	116	97	New Tokyo Inv Tst 50p	115	−1
50	F.P.	21.1	51	47	‡Pennine	50	
	F.P.	9.2	74	72	Westpool Inv. Defd.	74	

FIXED INTEREST STOCKS

Issue price	Amount Paid Up	Latest Renunc. Date	1980-81 High	Low	Stock	Closing Price	+ or −
‡	F.P.	14.1	111	100½	Allied London 8½% Cnv. Uns. Ln. 1999	102½	.....
‡	F.P.	26.2	107¼	106½	Chester Waterworks 9% Red. Pref. 1985	107	.....
100p	F.P.	28.1	105½p	102p	Comben 11.375% Cum. Red. Pref.	105½p	.....
‡	F.P.	26.2	107¼	106½	East Anglian Water 9% Red. Pref. 1985	107¼	.....
‡	F.P.	26.2	107½	106½	East Worcester 9% Red. Pref. 1985	107	.....
‡	F.P.	26/2	105	104½	Essex Waterworks 8½% Red. Prf. 1985	104½	.....
96	£20	—	21	20¾	Iceland 14½% 2016	21	+¼
£100	£50	30.4	46	41	Lon. Merchant Secs. 7½% CvUnsLn 2000-05	42	.....
99	F.P.	23/3	101	98¾	Mid-Sussex W'rw'ks 14% Red. Deb. 186-88	101	.....
	F.P.	20/1	114p	107p	Paterson (R.) 11½% Cum. Cnv. Prf.	114p	.....
‡	F.P.	21.1	100p	97p	Standard Industrial 11½% Pref	98p	.....

"RIGHTS" OFFERS

Issue Price p	Amount paid up	Latest Renunc. Date		1980-81 High	Low	Stock	Closing price p	+ or −
30	Nil	—	—	7½pm	6pm	Benlox	6pm	.....
115	F.P.	13/1	26/2	141½	134	Brotherhood P.	137	.....
184	Nil	29/1	13/3	10pm	5pm	Johnson, Matthey	7pm	+2
140	F.P.	19/12	30/1	178	146	KCA Intnl.	146	−10
25	F.P.	19/12	4/2	26½	25	L. K. Industrial	25	.....
$A1.0555 cts	—	—	—	75	82	North Kalgurli Mines	40	−2
25	F.P.	21/1	13/2	25½	24	Prestwich Parker	24	−1½
320	F.P.	23/1	20/3	355	330	Royal Insurance	355	.....
50	F.P.	9/1	13/2	76	67	Security Centres	75	.....
145	F.P.	19/1	16/2	202	174	Warren Plants	198	−1

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimate. *g* Assumed dividend and yield. *u* Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimate for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. *pt* Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Introduction. ☐ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Dealings under special Rule. ‡ Unlisted Securities Market. †† London Listing. [illegible]

FINANCIAL TIMES STOCK INDICES

	Jan. 22	Jan. 21	Jan. 20	Jan. 19	Jan. 16	Jan. 15	year ago
Government Secs.	68.94	68.72	68.55	68.53	68.05	68.08	68.85
Fixed Interest	70.63	70.56	70.35	70.22	69.98	70.24	69.51
Industrial Ord.	457.1	461.7	458.6	453.6	451.9	448.5	448.7
Gold Mines	353.0	358.6	353.0	350.8	360.4	366.3	320.7
Ord. Div. Yield	7.86	7.80	7.85	7.92	7.94	7.98	7.34
Earnings, Yld. % (full)	17.56	17.41	17.52	17.69	17.73	17.87	18.08
P/E Ratio (net) (*)	6.97	7.03	6.99	6.92	6.91	6.86	6.79
Total Bargains	19,976	19,573	20,061	20,656	20,543	19,667	23,068
Equity turnover £m.	—	130.22	76.68	85.83	104.56	100.29	125.00
Equity bargains total	—	16,070	11,485	14,562	14,277	13,876	17,233

10 am 461.0. 11 am 457.1. Noon 457.6. 1 pm 458.0. 2 pm 458.0. 3 pm 457.8.

Latest Index 01-246 8026.

*Nil=6.44.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1980/81 High	1980/81 Low	Since Compil'tion High	Since Compil'tion Low
Govt. Secs.	72.54 (21/7/80)	63.85 (7/5/80)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	74.08 (24/7/80)	64.70 (10/5/80)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	515.9 (21/11/80)	406.9 (3/1/80)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	568.9 (22/9/80)	265.5 (18/3/80)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	Jan. 22	Jan. 21
—Daily		
Gilt Edged	109.4	103.8
Industrials	88.7	92.7
Speculative	32.0	39.2
Totals	64.5	68.3
5-day Avrge.		
Gilt Edged	125.1	125.8
Industrials	88.6	87.8
Speculative	30.5	30.0
Totals	66.7	66.8

NEW HIGHS AND LOWS FOR 1980/81

The following shares quoted in the Share Information Service yesterday attained new Highs and Lows for 1980-81.

NEW HIGHS (38)

BRITISH FUNDS (5)
Treas. 9¼pc 1981 · Exchqr. 8¼pc 1983 · Exchqr. 3pc 1981 · Fndg. 5½pc '82-84 · Treas. 8½pc 1983

CORPORATION LOANS (1) · Bristol 13½pc 1981

BANKS (1) · Arbuthnot Latham

BUILDINGS (4) · Blockleys · Lovell (Y. J.) · Burnett Hallamshire · Wilson (Connolly)

ENGINEERING (1) · Haden Carrier

FOODS (4) · Hazlewood · Northern Foods · Matthews (B.) · Somportex

INDUSTRIALS (4) · Crest Nicholson · Ryan (L.) · Esperanza · Smith & Nephew

LEISURE (2) · Medminster · Pleasurama

PAPER (1) · Saatchi & Saatchi

PROPERTY (4) · Anglo Metropolitan · Phoenix Mining · Beazer (C. H.) · Rockhouse

TEXTILES (2) · Miller (F.) · Sirdar Riley

TRUSTS (5) · Crescent Japan · English Assoc. · Derby Trust · Yorkshire · Fundinvest · G.T. Japan

OIL & GAS (1) · Silkolene

RUBBERS (1) · Malakoff

NEW LOWS (40)

AMERICANS (1) · Pennzoil

BUILDINGS (1) · Ibstock Johnsen

CHEMICALS (1) · Fisons

STORES (3) · Fairdale Textiles · Lincroft Kilgour · Goodman Brothers

ELECTRICALS (3) · Berec · Dreamland · Brocks

ENGINEERING (13) · Alcan Aluminium · Mitchell Somers · Barton & Sons · Priest (Ben.) · British Aluminium · Redman Heenan · Camford Eng. · Spear & Jackson · Ductile Steels · United Wire · Garton Eng. · Wadkin · Jones & Shipman

HOTELS (1) · Ryan Hotels

INDUSTRIALS (10) · Bridport-Gundry · Howard Tenens · Crosby-Tyler · Clarke (Clement) · Metal Box · Dom Hldgs. · Nu-Swift · Esselte AB

INSURANCE (1) · Heath (C. E.)

LEISURE (1) · Pan Atlas

MOTORS (1) · Tate of Leeds

TEXTILES (1) · Highams

OIL & GAS (1) · Magnet Metals

OVERSEAS TRADERS (1) · Tozer Kemsley

MINES (1) · Unisel

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	[illegible]		
Corpns. Dom. and Foreign Bonds	[illegible]		
Industrials	[illegible]		
Fin. and Prop.	[illegible]		
Oils	[illegible]		
Plantations	[illegible]		
Mines	[illegible]		
Others	[illegible]		
Totals	[illegible]		

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Frankfurt Trust Investment—GmbH
Neue Mainzer Strasse 74-76, D-6000 Frankfurt
FT-Interzins DM37.43 40.94 ..... —
Frankft. Effekt. Fd. DM50.36 53.01 +0.14 —

Free World Fund Ltd.
Butterfield Bldg., Hamilton, Bermuda.
NAV Dec. 31 US$152.19 −0.74 —

G.T. Management Ltd.
Park Hse., 16 Finsbury Circus, London EC2
Tel: 01-628 8131. TLX: 886100
London Agents for:
Anchor 'B' Units US$1.73 1.83 +0.03 1.19
Anchor Gilt Edge £9.08 9.14 13.89
Anchor Int. Fd. US$8.49 8.92 +0.17 1.18
[illegible]

Hill-Samuel & Co. (Guernsey) Ltd.
8 LeFebvre St., St. Peter Port, Guernsey, C.I.
Guernsey Tst. 180.7 193.3 ..... 3.41

Hill Samuel Invest. Mgmt. Intnl.
P.O. Box 63, Jersey. 0534 27381.
HS Channel Is. Fd. 135.8 144.8 3.00
H.S. Fixed Int. Fd. 95.0 100.0 12.00

N.V. Interbeheer
P.O. Box 526, Delft, Holland
Esmeralda (Iss. Price) DF63.28 +0.11 1.58

International Pacific Inv. Mngmt. Ltd.
P.O. Box R237, 56, Pitt St., Sydney, Aust.
Javelin Equity Tst. A$3.59 3.71 ..... 3.72

Jardine Fleming & Co. Ltd.
46th Floor, Connaught Centre, Hong Kong
Jardine J'pn. Fd. Y2,048 0.8
J.F. Japan Small Co. Y11,371
Jardine Estn. Tst. HK$301.69 1.40
Intl. Pac. Secs. (Inc.) HK$25.05 0.70
Jardine Flem Int. HK$27.33 0.30
Jardine S.E.A. US$42.30 1.10
J.F. Cur.&Bd.Fd. (Inc.) US$13.03 6.90
Japan & Pacific CovTst US$11.76 5.90
London Agents: Robt. Fleming & Co. Tel: 01-638 5858

Leopold Joseph & Sons (Guernsey)
Hirzel Ct., St. Peter Port, Guernsey. 0481-26648.
L.J. Sterling Fund £12.66 12.67 —

Kemp-Gee Management, Jersey Ltd.
1 Charing Cross, St. Helier, Jersey 0534 73741
Capital Fund 143.8 148.3
Income Fund 49.3 50.8 11.12
Gilt Bond £1.015 1.069 —

Keyser Ullmann Ltd.
25, Milk Street, EC2V 8JE. 01-606 7070
Central Assets £84.75 184.79 +0.09 —

King & Shaxson Mngrs.
1, Charing Cross, St. Helier, Jersey. (0534) 73741
Valley Hse., St. Peter Port, Gnsy. (0481) 24706
1 Thomas Street, Douglas, I.O.M. (0624) 4856
[illegible]

Kleinwort Benson Group · **Kredietbank N.V. (Belgium)** · **Lazard Brothers & Co. (Jersey) Ltd.** · **Lloyds Bk. (C.I.) U/T Mgrs.** · **Lloyds Bank International, Geneva** · **M & G Group** · **Gartmore Invest. Ltd. Ldn. Agts.** · **Assicurazioni GENERALI S.p.A.** · **Granville Management Limited** · **Guinness Mahon Fd. Mgrs. (Guernsey) Ltd.** · **Hambro Pacific Fund Mgmt. Ltd.** · **Hambros Fd. Mgrs. (C.I.) Ltd.** · **Henderson Admin. (Guernsey) Ltd.** · **Henderson Baring Group** · **Save & Prosper International** · **Schroder Life Group** · **Schroder Mngt. Services (Jersey) Ltd.** · **J. Henry Schroder Wagg & Co. Ltd.** · **Sentry Assurance International Ltd.** · **Singer & Friedlander Ldn. Agents** · **Stronghold Management Limited** · **Surinvest (Jersey) Ltd.** · **TSB Unit Trust Managers (C.I.) Ltd.** · **TSB Gilt Fund Managers (C.I.) Ltd.** · **Tokyo Pacific Holdings N.V.** · **Tyndall Group** · **Pacific Basin Fund** · **Phoenix International** · **Providence Capitol Life Ass. (C.I.)** · **Quest Fund Mngmt. (Jersey) Ltd.** · **Quilter/Hodsoll Commodities** · **RBC Investment Managers Limited** · **Ramlnco Managers Ltd.** · **Richmond Life Ass. Ltd.** · **Rothschild Asset Management (C.I.)** · **Rothschild Asset Mgt. (Bermuda)** · **Vanbrugh Invest. Mngt. Jrsy. Ltd.** · **Wardley Investment Services Ltd.** · **World Wide Growth Management** · **Wren Commodity Management Ltd.** · **Morval, Johnstone (Inv. Adviser)** · **Nat. Westminster Jersey Fd. Mgrs. Ltd.** · **N.E.L. International Ltd.** · **Negit S.A.** · **Midland Bank Tst. Corp. (Jersey) Ltd.** · **Samuel Montagu Ldn. Agents** · **Management International Ltd.**

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FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury. 0296 5941
Abbey Amer. Gth. Tst. 55.3 59.4xd -0.2 2.44
Abbey Capital 42.7 46.2 -0.2 5.30
Abbey General 52.7 56.3xd -0.3 5.45
Abbey Gilt & F.I. Tst. 105.0 110.5xd +0.5 11.86
Abbey Income 31.6 34.2xd — 10.26
Abbey W'Wide Bd Tst. 91.0 96.3 — 6.96
Abbey Inv. Tst. Fd. 47.3 51.1 -0.1 4.97
Equitas Prog. Tst. 75.1 81.2 -0.4 5.04

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314
AHR Gilt Trust 87.4 91.9 +0.3 13.06

Allied Hambro Ltd. (a) (g)
Hambro Hse., Hutton, Brentwood, Essex. 01-588 2851 or Brentwood (0277) 211459
Balanced Funds
Allied 1st 83.5 89.3 -0.3 6.46
Brit. Inds. Fund 71.5 76.5 -0.3 6.98
Growth & Income 47.0 50.3xd -0.2 5.37
Elect. & Ind. Dev. 41.2 44.1 -0.2 5.67
Allied Capital 89.9 96.3 -0.3 4.57
Hambro Fund 123.9 132.6 -0.2 6.52
Hambro Acc. Fund 170.3 182.2 -0.7 4.99
Income Funds
High Yield Fd. 60.4 64.6 +0.1 9.67
High Income 74.3 79.5 +0.3 7.99
A. H. Eq. Inc. 42.0 44.9xd +0.1 8.15
Govt. Secs. 25.2 25.9 +0.1 12.08
International Funds
International 33.1 35.4xd — 2.80
Pacific Fund 63.4 67.8xd -0.2 1.21
Secs. Of America 68.1 72.9 — 2.19
Specialist Funds
Smaller Co.'s Fd. 51.5 55.1xd -0.1 4.72
2nd Smlr. Co's Fd. 62.7 67.1 -0.1 4.47
Recovery Sits. 128.0 137.0 -0.1 5.55
Met. Min. & C'dty. 65.2 69.8 +0.1 5.44
Overseas Earnings 63.4 67.8xd -0.5 5.44
Exempt Funds
Income Exempt 47.0 49.4xd +0.2 8.60
Far East Exempt 68.3 71.0 -0.1 2.11
Smaller Co. Exempt 80.0 84.0 -0.1 4.76
U.S.A. Exempt 115.5 120.1 -0.3 2.71

Anderson Unit Trust Managers Ltd.
158, Fenchurch St., EC3M 6AA. 623 9231
Anderson U.T. 62.1 66.7 — 4.28

Ansbacher Unit Mgmt. Co. Ltd.
1, Noble St., EC2V 7JA. 01-726 4931
Inc. Monthly Fund 144.0 154.0 — 12.06

Arbuthnot Securities Ltd. (a)(c)
37, Queen St., London, EC4R 1BY. 01-236 5281
Capital† 32.5 34.7 — —
Commodity*** 98.0 105.4 -0.2 2.53
(Accumulation) 153.3 164.9 -0.3 2.53
(10% Withdrawal) 73.9 79.5 -0.1 2.53
Eastern & Internatl.† 37.7 40.3 — 1.00
(6% Withdrawal) 26.6 28.4 — 1.00
Extra Income 93.5 100.6 +0.9 9.97
(Accumulation) 111.9 120.4 +1.2 9.97
Finance & Property* 23.9 25.5 — 4.33
Foreign†† 124.7 134.1 — 1.00
Giants 42.7 45.6xd -0.3 5.30
(Accumulation) 55.9 59.8xd -0.2 5.30
Gilt & Fixed 42.5 44.6 +0.1 12.07
(Accumulation) 45.0 47.2 +0.1 12.07
Growth 41.9 44.8xd +0.6 4.68
(Accumulation) 55.1 58.9xd +0.6 4.68
High Income 34.6 37.0 — 10.41
(Accumulation) 56.3 60.2 — 10.41
(8½% Withdrawal) 45.8 49.0 — 10.41
High Yield 40.4 43.2 +0.1 11.81
(Accumulation) 70.7 75.6 +0.1 11.81
North American†† 34.4 36.8 — 1.00
Preference 22.1 23.8xd — 13.44
(Accumulation) 43.8 47.1xd +0.1 13.44
Smaller Companies* 33.1 35.6 — 4.95
Dealings: †Tues. *Wed. ††Thurs. ***Friday.

Archway Unit Tst. Mgs. Ltd.♥ (a)(c)
317, High Holborn, WC1V 7NL. 01-831 6233
Archway Fund 113.5 122.0 +1.8 5.37
Price at Jan. 22. Next sub. day Jan. 29.

Barclays Unicorn Ltd.♥ (a)(c)(g)
Unicorn Ho. 252, Romford Rd., E7. 01-534 5544
Unicorn America 34.6 37.1 +0.5 1.35
Do. Aust. Acc. 142.3 153.0 -1.3 1.29
Do. Aust. Inc. 108.5 116.6xd -1.0 1.29
Do. Capital 82.5 88.7 -0.5 5.11
Do. Exempt Tst. 117.8 126.6 +0.4 7.33
Do. Extra Income 28.3 30.5 — 9.37
Do. Financial 101.4 109.0 — 3.32
Do. 500 83.6 89.8 — 6.40
Do. General 39.0 41.9 -0.1 5.79
Do. Gilt & Fxd. Int. Inc. 48.4 50.1 +0.1 12.62
Do. Growth Acc. 61.7 66.3 -0.3 4.19
Do. Income Trust 93.0 100.5 -0.2 7.27
Do. Prf. A'ns. Tst. 242.2 257.6 -1.6 3.88
Do. Recovery 53.5 57.5 — 6.45
Do. Trustee Fund 136.8 147.0xd -0.4 6.06
Do. W'dwide Tst. 53.0 56.9xd -0.1 3.40
B'tst. In. Fd. Acc. 96.0 100.0 -0.3 5.65
Do. Income 75.5 78.6 -0.2 5.65

Baring Brothers & Co., Ltd.♥ (a)(x)
88, Leadenhall St., EC3. 01-588 2830
Stratton Trust 238.8 249.0 — 4.46
Do. Accum. 319.2 332.8 — 4.46
Next sub. day Feb. 3.

Bishopsgate Progressive Mgmt. Co.♥
9, Bishopsgate, EC2. 01-588 6280
B'gate Pr. ** Jan. 20 262.9 280.5 — 4.30
Acc. Units. ** Jan. 20 332.1 354.3 — 4.30
B'gate. Int. Jan. 13 260.2 275.8 — 1.78
(Accum.) Jan. 13 298.7 316.6 — 1.78
Next sub. day Jan. 27. **Feb. 3.

Bridge Fund Managers (a)(c)
Regis Hse., King William St., EC4. 01-623 4951
Amer. Gen. 33.1 35.3xd -0.8 1.62
Income* 54.4 59.2 — 8.91
Capital Inc.† 57.7 61.4 — 3.05
Do. Acc.† 68.1 72.5 — 3.05
Exempt† 149.0 159.0xd — 6.92
Interntl. Inc.† 21.2 22.6 — 3.38
Do. Acc.† 25.6 27.3 — 3.38
Dealing *Tues. ‡Wed. †Thurs. Prices Jan. 20/21/22.

Britannia Trust Management (a) (c) (g)
604, Salisbury Hse., 4th Flr., Finsbury Circus, London EC2N 5QL. 01-638 0478/0479
Britannia
Assets 90.2 97.0 -0.5 5.82
Capital Acc. 75.2 80.8 -0.5 4.52
Comm & Ind 61.2 65.8xd -0.3 4.19
Commodity 154.9 166.5 — 3.05
Domestic 47.0 50.5 -0.2 4.25
Exempt 127.3 134.0 +0.4 8.19
Extra Income 31.8 34.2 — 11.66
Far East 35.5 38.2 -0.2 1.05
Financial Secs. 91.7 98.6xd — 4.36
Gilt 22.2 23.4xd — 12.82
Gold & General 187.9 202.0xd -1.5 6.58
Growth 107.0 115.0 -0.8 3.99
Inc. & Growth 72.5 78.0 +0.3 9.03
Int'l Growth 83.5 89.8 -0.6 1.41
Minerals 84.3 90.6 -0.8 5.73
Nat. High Income 70.5 75.8 -0.1 10.72
Special Situations 38.3 41.2xd -0.2 4.12
North American 37.7 40.5 -0.4 1.42
Professional 799.3 824.0xd -4.0 4.85
Property Shares 24.0 26.2 — 2.41
Shield 62.6 67.3 -0.4 4.09
Status Change 37.8 42.8 — 4.13
Invest. Tst. Shares 61.7 66.3xd -0.1 3.01
Univ Energy 82.5 88.7xd -0.9 1.19
Schlesinger
Am. Exempt 28.2 29.7 -0.3 1.40
Am. Growth 37.8 40.8 -0.4 1.11
Am. Smaller Cos 50.7 55.1 -0.1 0.19
Exempt High Yield 25.7 27.0 +0.1 9.56
Exempt Mkt. Ldrs. 32.3 34.0 -0.2 4.96
Extra Inc. Tst. 21.8 23.6xd +0.2 12.61
Income Dist. 40.2 43.5 +0.3 12.51
Inc. 10% Wdrwl. 28.6 30.9 +0.1 —
Inv. Tst. Units 31.7 34.1 -0.1 6.05
Intl. Growth 74.7 80.8xd -0.1 1.89
Market Leaders 34.6 37.4 -0.1 5.52
'Nil Yield' 36.1 39.0 -0.4 —
Pref. & Gilt Trust 19.3 21.0 — 13.75
Property Shares 46.4 50.2 — 1.72
Special Sit. Tst. 48.7 52.6 -0.5 3.46
UK Grth. Accum. 26.8 29.0 -0.2 3.42
UK Grth. Dist. 22.1 23.9 -0.1 3.42

The British Life Office Ltd♥ (a)
Reliance Hse., Tunbridge Wells, Kt. 0892 22271
BL British Life 60.9 64.8 +0.3 6.20
BL Balanced* 53.9 57.6 — 6.64
BL Dividend* 32.9 35.2 — 11.40
Prices January 21. Next dealing January 28.

Brown Shipley & Co. Ltd.♥(a)(g)
Harlands Hse, Haywards H'th, Sx. 0444-58144
B.S. Units Jan. 20 270.7 287.0 — 5.75
B.S. (Accum.) Jan. 20 372.7 395.1 — —
Financial 52.3 55.4xd -0.3 4.20
Growth Accum. 70.1 74.3 -0.1 5.33
Growth Income 50.8 53.8 -0.2 5.33
High Income 24.1 26.2 — 11.58
Income 23.6 25.0 -0.1 7.80
Index 28.8 30.5xd -0.2 5.04
North American 26.1 28.1xd — 2.51
Performance 66.0 70.8 -0.3 4.27
Recovery 17.6 18.7 — 8.28
Exempt 75.4 78.5 -0.2 6.80

Canada Life Unit Trst. Mngrs. Ltd.♥
2-6 High St., Potters Bar, Herts. P. Bar 51122
Can. Gen. Dist. 44.3 46.7xd -0.2 5.06
Do. Gen. Accum 60.2 63.3 -0.3 5.06
Do. Income Dist. 32.9 34.7 — 9.32
Do. Inc. Accum. 50.2 52.9 — 9.32

Capel (James) Mngt. Ltd.♥
100, Old Broad St., EC2N 1BQ. 01-588 6010
Capital 104.5 111.2 — 3.34
Income 73.3 78.0 — 9.47
North American 102.2 108.8 — 2.43
Prices on Jan. 21. Next dealing Feb. 4.

Carr, Sebag Unit Trust Managers(a)
57/63, Princess St., Manchester 061-236 5685
Carr, Sebag Cap. Fd. 42.4 45.1 -0.6 2.36
Carr, Sebag Inc. Fd. 28.6 30.4 -0.3 9.30

Charinco Charities N/R Fund‡‡
15, Moorgate, London, EC2. 01-638 4121
Income Dec. 31 117.86 — 11.88
Do. Accum. Dec. 31 200.02 — 11.88

Charities Official Invest. Fund‡‡
77 London Wall, EC2N 1DB. 01-588 1815
Income Dec. 16 153.61 — 7.81
Accum. Dec. 16 374.29 — —

Chieftain Trust Managers Ltd♥ (a)(g)
11, New St., EC2M 4TP. 01-283 2632
American (z) 26.7 29.0xd -0.1 1.96
Far Eastern Tst. (z) 34.5 37.4 +0.4 1.98
High Income 33.9 36.8 +0.1 12.48
Intnl. Trust (z) 46.2 49.1 +0.3 1.77
Basic Resources Tst. 59.2 64.4 -0.8 1.87
Incm. Growth Tst. 23.6 25.6xd +0.1 8.54
Pref. & Gilt Tst. 22.3 23.1xd +0.1 14.10
Smaller Co's Trust 25.1 27.2xd +0.1 4.04

Chesterton Fund Managers(g)
57-63, Princess St., Manchester. 061-236 5685
Growth 15.7 16.9 -0.1 4.09
International 66.2 71.5 -0.4 1.20
High Income 29.2 31.5xd +0.1 12.95

Confederation Funds Mgt. Ltd. (a)
50, Chancery Lane, WC2A 1HE. 01-242 0282
Growth Fund 67.7 71.2 — 4.26
For Cosmopolitan see Chesterton Fund Managers.

Craigmount Unit Tst. Mgrs. Ltd.
Bucklersbury, London EC4N 8BD. 01-248 4984
High Income 33.1 36.2xd -0.1 12.42
North American 57.8 62.5 +0.3 2.76
Canadian Exempt* 62.6 66.2 — 3.53
Canadian Trust 63.1 68.3 +0.1 2.62
Mid Mount High Inc.* 46.0 48.7 — 9.91
Recovery 55.7 60.8 +0.2 7.09
Gilt Trust 42.6 44.6 +0.1 12.97
*Weekly dealing day-Wednesday.

Crescent Unit Tst. Mngrs. Ltd. (a)(g)
4 Melville Cres., Edinburgh 3 031-226 4931
Cres. Amer. Fd. 37.7 40.7 -0.3 0.92
Cres. Internat'l. 73.0 78.8 -0.3 1.82
Cres. High. Dist. 39.3 42.4 — 11.50
Cres. Reserves 47.4 51.1 -0.2 5.63
Cres. Tokyo 31.2 33.6 +0.1 0.93

Dartington Unit Trust Mngt. Ltd.
Bridge Chambers, Barnstaple, Devon 0271 76324
Total Perf. Unit Tst. 24.0 25.5 — 9.97

Discretionary Unit Fund Managers
36/38 New Broad St, EC2M 1NU. 01-638 4485
Disc. Inc. Jan. 9 215.6 230.0 — 5.76

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893
Great Winchester 16.8 18.6xd — 9.03
Gt. Winchester O'seas 25.1 27.9xd — 4.01

Emson & Dudley Tst. Mngmnt. Ltd.
28b Albemarle St., W1. 01-493 3211
Emson Dudley Tst. 85.6 92.1 — 6.00

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377
Equity & Law 83.6 88.0 — 4.92

Fidelity International Management Ltd.
62-63 Queen St, London EC4 1AD 01-248 4891
American (z) 31.0 33.6 — 0.85
Ameri.Spec.Sits. (z) 23.6 25.6 -0.1 0.92
Gilt + Fixed Int. 24.7 26.0xd +0.1 12.41
Growth + Income 29.2 31.5 — 7.86
Maximum Inc. Eq. Tst. 24.4 26.3 +0.1 9.73
Special Sits. 37.1 39.9 — 2.00

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321
J. Finlay Internat'l. 35.3 38.2 — 2.40
Accum. Units 44.0 47.4 — 2.40
J. Finlay High Income 33.5 36.0 — 10.43
Finlay Wld. Energy 18.3 19.7 -0.2 1.56
Accum. Units 23.6 25.4 -0.2 1.56
J. Finlay Fd. In. Tst. 37.4 40.2 — 5.00
Accum. Units 47.3 50.9 — 5.00
Prices on Jan. 21. Next dealing Jan. 28.

Framlington Unit Mgt. Ltd. (a)
64, London Wall, EC2M 5NQ. 01-628 5181
Amer. & Gen. 69.8 74.8 -0.2 0.89
Am. T'around 64.0 68.4 +0.2 1.77
Capital Tst. 56.6 60.4 — 5.52
(Accum. Units) 59.0 63.0 — 5.52
Extra Income Trust 45.2 48.2xd — 11.30
Income Tst. 36.8 39.2 — 8.56
Int. Growth Fd. 57.6 61.6 -0.2 1.88
(Accum. Units) 62.0 66.2 — 1.87

Friends' Provdt. Trust Mgrs. (a) (b) (c).
Pixham End, Dorking. 0306 5055
Friends Prov. Units 57.6 61.5 -0.2 4.77
Do. Accum. 82.9 88.6 -0.2 4.77

Funds in Court*
Public Trustee, Kingsway, WC2. 01-405 4300
Capital Jan. 15 136.7 136.9 — 5.11
Gross Inc. Jan. 15 75.3 77.8xd — 12.21
High Yield Jan. 15 89.4 92.2 — 11.28
*Unauth. Restricted to monies under Court control.

G.T. Unit Managers Ltd.♥
16, Finsbury Circus, EC2M 7DJ. 01-628 8131
G.T. Cap. Income 137.0 147.3 — 3.20
Do. Acc. 173.9 186.9 — 3.20
G.T. Inc. Fd. Un. 195.2 209.8 — 8.80
G.T. U.S. & Gen. 191.0 205.3 — 1.70
GT Wld. Bd. Fd. 93.2 97.0 — 6.20
G.T. Japan & Gen. 98.9 106.3 — 1.30
♦Gt. Pens. Ex. Fd. 326.4 343.5 — 2.00
G.T. Int'l. Fund 231.8 249.2 — 1.90
G.T. Four Yds. Fd. 48.8 52.4 — 7.10
G.T. Far East & Gen. 95.7 102.8 — 1.40

G. & A. Trust (a) (g)
5 Rayleigh Road, Brentwood (0277) 227300
G. & A. 40.2 42.9 -0.1 5.43

Gartmore Fund Managers♥ (a)(g)
2 St. Mary Axe, EC3A 8BP 01-623 6114
Dealing only: 01-623 5766/5806
American Trust 38.4 41.3 -0.3 0.40
British Tst. (Acc.) 84.3 90.7 +0.2 3.15
British Tst. (Dist.) 84.3 90.7 +0.2 3.15
Commodity Share 51.6 55.5 -0.4 3.71
Extra Income Tst. 20.4 22.0 +0.1 11.20
Far East Trust 57.0 61.3 -0.4 1.26
Gilt Trust 23.8 24.8xd +0.1 12.69
High Income Tst. 52.5 56.9 -0.1 10.94
Income Fund 76.1 81.9 — 7.55
Ins. Agencies £16.59 17.71xd -0.13 4.92
Intl. Exempt Fd. 105.0 114.9 -0.5 5.50
Intl. Tst. (Acc.) 50.3 54.1 -0.7 1.17
Intl. Tst. (Dist.) 50.3 54.1 -0.7 1.17
Japan Trust 28.0 29.8 +0.1 0.24
Special Sits. Tst. 38.9 41.8 -0.1 1.12

Gibbs (Antony) Unit Tst. Mgs. Ltd. (a)
3 Frederick's Pl., Old Jewry, EC2 01-588 4111
Extra Income 28.0 30.5 +0.1 10.80
Income 36.7 39.9 -0.2 10.50
Accumulation 86.3 93.9 -0.2 4.60
Growth 48.4 52.7 -0.4 4.40
UK Mkt. Leaders 51.3 55.2 -0.5 5.60
Small Co's 43.2 47.0 +0.1 4.50
Technology 59.6 64.8 -0.4 4.90
Private 55.6 60.5 — 3.00
Intl. Erns. & Assets 52.2 56.8xd -0.5 4.50
American 29.7 32.0 -0.3 1.00
Far East & Gen. 37.8 40.7 -0.4 1.80

Govett (John)
77 London Wall, EC2 01-588 5620
Stockholder Jan. 16 156.5 164.3 — 2.25
Do. Accum. Unit 199.2 211.7 — 2.25
St. European 64.7 68.0 — 2.34
Next dealing January 30.

Grieveson Management Co. Ltd.
59 Gresham Street, EC2P 2DS 01-606 4433
Barr'gtn. Jan. 21 287.2 304.5xd — 5.53
(Accum. Units) 343.1 363.7 — 5.53
Barrgtn. H.Y. Jan. 22 156.0 166.0xd +2.5 11.43
(Accum. Units) 218.9 232.9 +3.2 11.43
Brghtn. Sm. Jan. 16 117.1 124.6 — 4.38
Endeav. Jan. 20 375.8 392.1 — 0.89
(Accum. Units) 404.8 423.3 — 0.89
Granchtr. Jan. 16 110.0 116.1xd — 1.81
(Accum. Units) 120.2 126.8 — 1.81
Ln. & Brnss. Jan. 21 73.6 77.3xd — 3.68
(Accum. Units) 84.0 88.1 — 3.68

Guardian Royal Ex. Unit Mgrs. Ltd.
Royal Exchange, EC3P 3DN 01-628 8011
(ag) Guardhill Tst. 121.9 126.3 -0.5 4.88

Henderson Administration (a) (b) (c)
Premier UT Admin., 5, Rayleigh Road, Hutton, Brentwood, Essex. 0277 217238
U.K. Funds
Cabot Capital Trust 168.2 181.8 -1.1 3.27
(Accum. Units) 215.6 233.1 -1.3 3.27
Cabot Recovery 42.9 46.4 -0.1 6.10
Cap. Growth Inc. 77.9 84.3 -0.4 2.67
Cap. Growth Acc. 83.3 90.1 -0.4 2.67
Inc. & Assets 36.7 39.7 -0.1 7.25
High Income Funds
Cabot Income Trust 184.3 199.2 +0.6 6.55
(Accum. Units) 282.6 305.5 +1.0 6.55
High Income 60.5 65.1 — 9.26
Cab. Extra Inc. 51.8 55.7xd +0.2 9.57
Cab. Sm. Cos. Div. 40.0 43.0 +0.1 10.56
Pf. & Gilt 44.9 48.0xd — 13.16
Gilt Trust 47.8 49.8 +0.2 11.73
Sector Funds
Financial & ITU 49.4 53.4 -0.1 1.35
Oil & Nat. Res. 63.8 69.0 -0.4 1.57
International
International 51.4 55.6 -0.3 1.13
World Wide Jan. 16 145.2 154.5 — 2.71
Overseas Funds
Australian 82.0 88.7 -1.2 1.98
European 43.6 46.1 -0.1 2.77
Japan Trust 92.8 99.3 -0.5 0.26
Pacific Sm. Cos. 78.7 84.2 -0.4 1.02
North Amer. 48.3 52.5xd -0.1 0.84
Cabot Am. Sm. 77.5 84.2 -0.4 0.33
Exempt Funds
High Inc. Exempt(b) 108.5 113.0 +1.0 9.27
Smlr. Cos. (b) 132.8 138.3 +0.7 3.00
Euro Exempt. Jan. 23 108.5 113.0 +0.1 2.63
Japan Jan. 23 106.8 111.2 +5.7 0.50
North Amer. Jan. 23 156.3 162.8 -1.7 1.05

Hill Samuel Unit Tst. Mgrs.† (a)
45 Beech St., EC2P 2LX 01-628 8011
(b) British Trust 179.8 192.4 -0.9 4.90
(b) Capital Trust 35.1 37.6 -0.2 4.32
(b) Dollar Trust 80.4 86.0 -0.5 2.39
(b) Far East 28.6 30.6xd -0.1 1.04
(b) Financial Trust 134.1 143.5 — 3.94
(b) Gilt & Fxd. Int. Tst. 23.9 24.9xd +0.1 11.94
(b) High Yield Tst. 23.3 25.0 -0.2 11.38
(b) Income Trust 25.5 27.3 — 8.43
(b) Int'l Trust 38.0 40.7xd +0.1 2.56
(b) Security Trust 57.7 61.8 -0.4 4.82
(b) Spec. Sits. Tst. 33.5 36.0 -0.1 2.40
Gen. Exempt Jan. 15 154.0 163.0 — 5.09

Investment Intelligence Ltd. (a)
15, Christopher Street, E.C.2. 01-377 9838
Intel. Amer. Tech. Fd. 62.8 66.9 +0.1 0.80
Intel. Inc. & Growth 28.1 30.2xd -0.1 7.20
Intel Pacific Fund 97.2 103.5 — 1.10
Intel Small Co's Fd. 91.1 97.0 -0.5 4.60

Key Fund Managers Ltd. (a)(g)
25, Milk St., EC2V 8JE. 01-606 7070
Key Energy In. Fd. 172.6 183.7 -2.9 2.11
Key Equity & Gen. 82.2 87.4 -0.2 5.41
♦Key Exempt Fd. 214.5 228.2 — 6.51
Key Income Fund 68.0 72.3 — 10.37
Key Fixed Int. Fd. 51.2 54.5 — 13.67
Key Small Co's Fd. 154.1 164.0 +0.2 5.02

Kleinwort Benson Unit Managers♥
20, Fenchurch St., EC3 01-623 8000
K.B. Unit Fd. Inc. 108.6 117.7 — 6.54
K.B. Unit Fd. Ac. 149.5 162.0 — 6.54
K.B. Fd. Inv. Tsts. 76.2 82.8 — 4.39
K.B. Fd. In. Tst. Acc. 83.1 90.2 — 4.39
KB Smlr Co's Fd Inc. 55.0 60.5 — 6.16
KB Sm. Cos. Fd. Acc. 60.9 66.9 — 6.16
KB High Yld. Fd. Inc. 48.1 52.9 +0.8 9.96
KB High Yld. Acc. 56.6 61.4 +0.9 9.96

L. & C. Unit Trust Management Ltd.♥
The Stock Exchange, EC2N 1HP. 01-588 2800
L&C Inc. Fund 151.3 156.0 — 9.08
L&C Intl & Gen Fd. 131.0 135.1 — 0.83

Legal & General (Unit Tst. Mngrs.) Ltd.♥
5 Rayleigh Rd., Brentwood 0277 217238
Equity Dist. Jan. 14 84.3 89.9 — 4.47
Equity Acc. Jan. 14 114.8 121.7 — 4.47
Next sub. day February 11.

Leonine Administration Ltd.
2, St. Mary Axe, EC3A 8BP. 01-623 6114
Leo Distribution 108.8 115.5 — 2.00
Leo Accum. 127.3 135.1 — 1.70

Lloyds Bk. Unit Tst. Mngrs. Ltd.♥ (a)
Registrar's Dept., Goring-by-Sea, Worthing, West Sussex. 01-623 1288
Balanced 64.6 69.4 -0.2 5.09
Do. (Accum.) 97.9 105.3 -0.2 5.09
Extra Income 56.1 60.3 — 10.28
Do. (Accum.) 75.1 80.7 -0.1 10.28
Income 85.3 91.7 -0.3 7.99
Do. (Accum.) 133.3 143.3 -0.3 7.99
Int. Technology 67.4 71.5 -0.1 0.61
Do. (Accum.) 67.4 72.4 -0.1 0.61
N. American & Gen. 45.0 48.3xd -0.1 1.06
Do. (Accum.) 45.2 48.6 -0.1 1.06
Small Cos. & Recy. 49.5 53.0 +0.4 4.05
Do. (Accum.) 50.6 54.4 +0.4 4.05
Worldwide Gwth. 76.7 82.5 -0.4 2.36
Do. (Accum.) 101.4 109.0 -0.5 2.36
Exempt♦ Jan. 6 114.4 120.4 — 7.16
♦Unauthorised. For tax exempt funds only.

Lloyd's Life Unit Tst. Mngrs. Ltd.
2, St. Mary Axe, EC3A 8BP. 01-623 6114
Equity Accum. (2) 231.0 243.2 — 4.98

Local Authorities' Mutual Invest. Tst.*
77, London Wall, EC2N 1DB. 01-588 1815
Pro. Fund Dec. 31 145.05 — 6.74
Wider Fund Dec. 31 256.55 — 5.50
Narrower Fd. Dec. 31 76.65 — 13.05
*Unauthorised. Available only to Local Authorities.

M & G Group (y)(c)(z)
Three Quays, Tower Hill, EC3R 6BQ. 01-626 4588
See also Stock Exchange Dealings.
American 57.9 62.2 -0.6 2.19
(Accum. Units) 61.4 66.0 -0.5 2.19
American Recovery 61.3 65.9 -0.6 1.80
(Accum. Units) 63.0 67.4 -0.6 1.80
Australasian 118.1 126.4 +0.9 0.51
(Accum. Units) 123.4 132.0 +1.0 0.51
Commodity 132.9 143.5 -1.1 3.41
(Accum. Units) 154.4 166.7 -1.3 3.41
Compound Growth 171.0 183.0 +0.2 3.40
Conversion Growth 114.8 122.8 -0.5 3.16
Conversion Inc. 68.5 73.3 +0.8 11.32
Dividend 118.8 127.1 +0.7 10.06
(Accum. Units) 264.4 282.9 +1.7 10.06
European 59.2 63.3 +0.1 4.15
(Accum. Units) 64.9 69.4 +0.3 4.15
Extra Yield 77.5 82.9 +0.3 11.18
(Accum. Units) 121.4 129.9 +0.4 11.18
Far Eastern 104.4 111.7 -0.4 1.38
(Accum. Units) 119.1 127.4 -0.4 1.38
Fund of Inv. Tsts. 87.6 94.6 -0.2 4.71
(Accum. Units) 117.0 126.4 — 4.71
General 208.1 223.7 +1.1 6.55
(Accum. Units) 340.8 367.9 +2.0 6.55
Gilt 48.4 50.8 — 11.53
(Accum. Units) 48.4 50.8 — 11.53
High Income 97.0 103.8xd +0.7 11.32
(Accum. Units) 192.9 206.4 +1.4 11.32
Japan 161.4 172.7 +1.0 0.84
(Accum. Units) 269.4 287.3 +1.0 0.84
Magnum 346.5 367.3 +1.4 5.26
(Accum. Units) 470.2 498.4 +0.1 5.26
Midland 149.0 159.4 +0.7 10.59
(Accum. Units) 285.4 305.4 +1.4 10.59
Recovery 115.4 123.5xd +0.8 6.35
(Accum. Units) 129.1 138.1 +0.9 6.35
Second Gen. 230.6 249.0xd +1.0 5.40
(Accum. Units) 385.0 415.8 +1.1 5.40
Smaller Companies 251.8 269.4 — 4.50
(Accum. Units) 339.4 363.2 +0.1 4.50
Specialised Funds
Trustee 159.0 171.7 +1.4 7.51
(Accum. Units) 354.3 382.6 +3.2 7.51
Charibond Jan. 20 101.2 — 13.20
Charifund Jan. 20 154.0 156.3 — 9.36
Pension Ex. Jan. 19 167.7 176.9 — 6.46

ManuLife Management Ltd.
St. George's Way, Stevenage. 0438 56101
Growth Units 74.7 78.6 — 5.93

Mayflower Management Co. Ltd.
14-18, Gresham St., EC2V 7AU. 01-606 8099
Income Jan. 19 100.7 106.0 — 10.00
General Jan. 19 72.2 76.0 — 6.05
Intnl. Jan. 19 52.7 55.5 — 2.84

Mercury Fund Managers Ltd.
30, Gresham St., EC2P 2EB. 01-600 4555
Mrc. Gen. Jan. 21 63.8 67.8 — 4.72
Acc. Units Jan. 21 91.0 96.8 — 4.72
Mrc. Inf. Jan. 21 90.1 95.9xd — 3.22
Acc. Units Jan. 21 103.7 110.3 — 3.22
Merc. Ext. Jan. 21 76.8 80.0 — 5.56
Acc. Units. Jan. 21 101.1 105.3 — 5.56

Midland Bank Group Unit Trust Managers Ltd.♥ (a)
Courtwood House, Silver Street, Head, Sheffield, S1 3RD. Tel: 0742 79842
Commodity & Gen. 109.6 119.7 -1.0 3.23
Acc. Uts. 137.5 150.5 -1.2 3.23
Overseas Growth 45.4 49.1xd — 2.24
Do. Accum. 51.6 55.8 -0.2 2.24
Capital 30.1 32.6xd -0.2 4.50
Do. Accum. 36.0 38.9 -0.2 4.50
Income 64.0 68.5 -0.2 7.08
Do. Accum. 73.0 78.9 -0.2 7.08
North American 42.1 45.6xd — 2.62
Do. Accum. 46.9 50.8 -0.1 2.65
High Yield 56.3 60.8 +0.1 9.77
Do. Accum. 70.7 76.4 +0.1 9.77
Japan & Pacific 57.8 62.5 -0.1 0.43
Do. Accum. 59.2 63.9 — 0.43
Gilt & Fixed Int. Tst. 47.5 49.4 +0.1 12.28
Do. Accum. 47.5 49.4 +0.1 12.28
Equity Exempt* 122.5 129.2 +0.9 4.55
Do. Accum.* 131.9 139.2 +0.9 4.55
*Prices at Jan. 23. Next dealing Jan. 30.

Minster Fund Managers Ltd.
Minster Hse., Arthur St., EC4R 9BH 01-623 1050
Minster Jan. 12 38.0 40.0 — 9.46
Exempt Dec. 31 98.6 102.0 — 9.38

MLA Unit Trust Mngmnt. Ltd.
Old Queen Street, SW1A 9JG. 01-222 8177
MLA Units 76.7 80.5 — 3.87

Murray Johnstone U.T. Mgmt.♥ (a)
163, Hope Street, Glasgow, G2 2UH. 041-221 5521
Murray European 55.7 59.3 -0.4 2.18
Next dealing Friday.

Mutual Unit Trust Managers♥ (a)(g)
Broad St. Avenue, Blomfield St., EC2. 01-638 3911-2
Mutual Sec. Plus 51.0 55.0 -0.1 8.86
Mutual Inc. Tst. 73.6 78.8 — 8.65
Mutual Blue Chip 48.4 52.4 -0.2 7.72
Mutual High Yld. 52.0 56.0 — 11.00

National Provident Inv. Mngrs. Ltd.♥
48, Gracechurch St., EC3P 3HH. 01-623 4200
N.P.I. Gth. Un. Tst. 56.9 60.6 — 6.75
(Accum. Units)* 77.7 82.7 — 6.75
NPI O'seas Trust** 185.5 196.3 — 2.45
(Accum. Units)** 211.1 223.4 — 2.45
*Prices on Jan. 14. Next dealing Jan. 28.
**Prices on Jan. 2. Next dealing Jan. 29.

National Westminster♥ (a)
161, Cheapside, EC2V 6EU. 01-606 6060
Capital (Accum.) 101.2 108.8 -0.3 3.51
Extra Inc. 52.5 56.4 +0.1 10.86
Financial 43.4 46.6xd +0.3 4.58
Growth Inv. 97.7 105.0xd -0.5 4.86
Income 39.2 42.1 — 7.35
Portfolio Inv. Fd. 74.2 77.6 -0.2 6.24
Smaller Companies 55.7 59.8 +0.3 4.94
Universal Fd. 55.3 59.4 — 2.01

NEL Trust Managers Ltd.♥ (a)(g)
Milton Court, Dorking, Surrey. 5911
Nelstar 73.0 76.8 +0.8 6.24
Nelstar High Inc. 49.7 52.3 -0.1 10.90
Nelstar International 50.7 53.3 -0.3 3.62

Northgate Unit Trust Managers Ltd. (c)(y)
20, Moorgate, EC2R 6AQ 01-606 4477
Northgate Jan. 22 101.5 108.0 +2.2 5.17
(Accum. Units) 105.8 112.6 +2.3 5.17

Norwich Union Insurance Group (b)
P.O. Box 4, Norwich, NR1 3NG. 0603 22200
Group Tst. Fund 413.9 435.7 -1.2 6.01

Pearl Trust Managers Ltd. (a)(g)(z)
252, High Holborn, WC1V 7EB. 01-405 8441
Pearl Growth Fd. 28.6 30.8 — 5.67
Accum Units 36.9 39.7 — 5.67
Pearl Inc. 33.1 35.6 +0.1 8.41
Pearl Unit Tst. 39.2 42.2 -0.1 6.71
(Accum. Units) 56.8 61.1 -0.1 6.71

Pelican Units Admin. Ltd. (g)(x)
57-63, Princess St., Manchester. 061-236 5685
Pelican Units 109.9 118.2 -0.3 5.70

Perpetual Unit Trust Mngmt.♥ (a)
48, Hart St., Henley on Thames 04912 6868
P'petual Gp. Growth 61.8 66.7 — 4.15
P'petual Gp. Income 46.7 50.4 -0.3 8.73

Practical Invest. Co. Ltd. (y)(c)
44, Bloomsbury Sq., WC1A 2RA 01-623 8893
Practical Jan. 21 190.9 202.7 — 4.96
Accum. Units 295.7 313.9 — 4.96

Provincial Life Inv. Co. Ltd.♥
222, Bishopsgate, EC2. 01-247 6533
Prolific Units 108.3 116.0 -0.8 3.55
Prolific High Inc. 141.9 152.0 -0.5 8.12

Prudl. Portfolio Mngrs. Ltd.♥ (a)(b)(c)
Holborn Bars, EC1N 2NH. 01-405 9222
Prudential 151.5 161.0 -0.5 5.17

Quilter Management Co. Ltd.♥
The Stock Exchange, EC2N 1HP. 01-600 4177
Quadrant Gen. Fd. 137.6 143.4 — 4.25
Quadrant Income 105.5 108.8xd — 10.04
Quadrant Intl. Fund 138.6 142.9 — 1.72
Quadrant Recovery 100.4 103.6 — 7.45

Reliance Unit Mgrs. Ltd.♥
Reliance Hse., Tunbridge Wells, Kt. 0892 22271
Opportunity Fund 73.0 78.0 — 7.22
Sekforde Tst. (Acc.) 46.1 49.3 -0.2 5.78
Sekforde Tst. Inc. 40.9 43.7 -0.1 5.78

Ridgefield Management Ltd.
1 Finsbury Sq., EC2A 1PD 01-588 6906
Income UT 68.4 73.6xd -0.2 13.79
International UT 110.7 119.0xd -1.3 1.72

Rothschild Asset Management (a) (g)
72-80, Gatehouse Rd., Aylesbury. 0296 5941
N.C. Equity Fund 192.5 204.8 -0.9 4.54
N.C. Engy. Res. Tst. 206.8 220.0 -1.9 2.28
N.C. Income Fund 136.3 145.0 -0.3 9.03
N.C. Intl. Fd. (Inc.) 118.6 126.2 +1.0 0.33
N.C. Itl. Fd. (Acc.) 123.5 131.4 +1.0 0.33
Smlr. Coys. Fd. 224.5 238.9 -0.1 4.56

Rowan Unit Trust Mngt. Ltd.♥ (a)
City Gate Hse., Finsbury Sq., EC2. 01-606 1066
American Jan. 22 86.0 89.0 -2.0 1.06
Securities Jan. 20 244.0 256.0 — 3.94
High Yield Jan. 16 53.0 55.8 — 9.45
(Accum. Units) 88.8 93.5 — 9.45
Merlin Jan. 21 133.0 140.1xd — 3.29
(Accum. Units) 178.4 187.8 — 3.29

Royal Tst. Can. Fd. Mgrs. Ltd.
48-50, Cannon St., London EC4M 6LD 01-236 6044
Capital Fund 82.3 88.4 — 5.20
Income Fund 59.8 64.2xd — 11.79
Prices on Jan. 15. Next dealing Jan. 30.

For Saturn Fund Mngt. see SIMCO

Save & Prosper Group
4, Great St. Helens, London EC3P 3EP
68-73 Queen St., Edinburgh EH2 4NX
Dealings to: 01-554 8899 or 031-226 7351
International Funds
Capital 41.9 45.0xd -0.2 3.23
I.T.U. 32.7 35.1 — 4.39
Select International 331.2 349.5 -2.4 2.68
Univ. Growth 91.5 98.3 -0.8 1.14
Increasing Income Funds
High-Yield 50.6 54.4 +0.1 9.33
Select Income 51.1 54.9 +0.1 8.28
High Income Funds
Gilt & Fxd. Int. Inc. 50.1 52.8 +0.3 11.86
High Return 56.6 58.7xd +0.1 10.52
Income 40.6 43.6 +0.1 10.60
U.K. Funds
Gilt & Fxd. Int. Grth. 51.6 52.2 +0.2 5.08
UK Equity 56.4 60.6 -0.3 4.93
Overseas Funds (z)
Europe 69.9 75.1 -0.2 2.28
Japan 97.7 105.0 +0.1 0.45
S.E. Asia 75.0 80.6 -0.1 0.70
U.S. 99.9 107.4 -0.2 1.09
Sector Funds
Commodity 138.4 148.8 +1.1 3.02
Energy 156.6 168.3 -1.1 1.14
Exploration Fund (z) 44.8 48.1 -0.3 0.25
Financial Secs. 84.4 90.7 — 3.78
Fixed-Interest Fund (z)
Intl. Bond Fd. 55.1 58.6 — 3.92
Exempt Funds
Exempt Income* 177.0 186.9 — 8.44
Exempt Intl.* 324.1 342.1 — 1.36
Prices at Jan. 14. Next sub. day Jan. 28.

Scotbits Securities Ltd.
Scotbits 45.6 49.0xd +0.2 4.56
Scotyield 48.3 51.9 — 9.05
Scotshares 75.3 80.9 -0.6 4.64

Schroder Unit Trust Managers Ltd.
48, St. Martins Lane, W.C.2. 01-240 3434
Capital 158.3 170.2 — 2.84
(Accum. Units) 203.2 218.4 — 2.84
Income Fnd. 200.4 215.4xd — 8.72
(Accum. Units) 345.6 371.6 — 8.72
Gen. 115.1 123.7xd — 4.41
(Accum. Units) 155.9 167.6 — 4.41
Europe 21.2 22.7 — 3.04
(Accum. Units) 24.8 26.6 — 3.04
Smaller Co.'s 131.0 140.0 — 3.27
*Ph. & Ch. Fd. 220.8 227.8xd — 5.04
*Recovery Jan. 20 254.3 262.1 — 4.87
*Spec. Ex. Jan. 20 410.0 422.6 — 2.51
*For tax exempt funds only.

Scottish Equitable Fnd. Mgrs. Ltd.♥
28 St. Andrews Sq. Edinburgh 031-556 9101
Income Units 59.1 62.9 — 5.88
Accum. Units 75.3 80.1 — 5.88
Dealing day Wednesday.
For Sebag see Carr, Sebag Unit Trust Managers.

Security Selection Ltd.
Regis Hse., King William St., EC4. 01-623 4951
Unvl Gth Tst Acc 34.1 36.3 — 8.33
Unvl Gth Tst Inc 25.4 27.1 — 8.33

SIMCO Money Funds
66, Cannon Street, EC4N 6AE 01-236 1425
SIMCO Call Fund† 100.0 — — 14.51
SIMCO 7-Day Fund† 100.0 — — 14.06
†Unauthorised—Cash Deposit Funds.

Stewart Unit Tst. Managers Ltd.(a)
45, Charlotte Sq., Edinburgh. 031-226 3271
†Stewart American Fund
Standard Units 77.2 82.1 -1.5 1.84
Accum. Units 84.0 89.4 -2.0 —
Withdrawal Units 62.7 66.7 -1.5 —
*Stewart British Capital Fund
Standard 178.4 190.3 — 7.41
Accum. Units 207.6 221.5 — 7.44
Dealing †Tues. & Fri. *Wed.

Sun Alliance Fund Mngt. Ltd.
Sun Alliance Hse., Horsham. 0403 64141
Ex. Eq. Jan. 14 £300.20 316.10 — 5.09
♥The Family Fd. 122.2 130.0 -0.2 5.49

Target Tst. Mngrs. Ltd.♥(a)(g)
31, Gresham St., E.C.2. Dealings: 0296 5941.
19, Athol Crescent, Edin. 3. 031-229 8621/2
Commodity 63.6 68.5 -0.4 2.68
Energy 49.7 53.7xd -0.8 2.62
Financial 87.4 94.3 -0.1 4.01
Gilt Capital 133.9 139.1 +0.1 13.35
Gilt Income 92.6 96.5 +0.2 12.45
Investment Trust 44.0 47.7 -0.3 3.52
Special Situations 30.2 32.5 +0.8 4.28
American Eagle 34.0 36.6xd -0.6 1.05
Pacific Income 33.1 35.8 — 1.71
Pacific Accum. 38.6 41.6 +0.1 1.71
Income 23.7 25.7 +0.1 11.23
Extra Income 50.4 54.3 -0.1 12.31
Preference Share 12.0 13.1xd — 13.99
Equity 46.3 49.9xd +0.4 6.40
Income and Growth 50.1 54.0xd -0.4 4.28
Growth 37.2 40.0 -0.4 3.81
Professional Jan. 21 216.4 232.7xd — 4.58
Eqty. Ex. Inc. Jan. 21 257.8 277.2 — 6.87
Eqty. Ex. Acc. Jan. 21 401.0 431.2 — 6.87
Carlfol H.Y. Jan. 21 33.0 35.7 — 10.06
Carlfol Accum. Jan. 21 49.7 53.7 — 10.06

Tower Unit Trust Mngt. Ltd.
39/45 Finsbury Square, EC2A 1PX. 01-628 2612
Income & Growth 21.1 22.2 +0.1 9.06
Special Situations 29.3 30.8 +0.3 2.40

Trades Union Unit Tst. Managers♥
100, Wood Street, E.C.2. 01-628 8011
TUUI Jan. 2 60.4 64.3 — 5.39

Transatlantic and Gen. Secs. (c) (y)
91-99, New London Rd., Chelmsford. 0245-51651
Barbican Jan. 22 85.9 91.0 +2.0 6.04
(Accum. Units) 146.3 154.9 +3.4 6.04
Barb. Exempt Dec. 31 60.4 61.9 — 3.38
Buckingham Jan. 22 90.0 96.0 +0.9 6.60
(Accum. Units) 123.3 132.2 +1.1 6.60
Colemco Jan. 16 165.7 175.6 — 6.35
(Accum. Units) 224.7 238.1 — 6.35
Cumberland Jan. 21 49.2 52.7 — 10.12
(Accum. Units) 62.2 66.6 — 10.12
Fielding Int. Jan. 22 110.3 116.1 -1.4 3.64
(Accum. Units) 110.3 116.1 -1.4 3.64
Glen Jan. 20 69.5 74.4 — 3.93
(Accum. Units) 97.2 104.1 — 3.93
Marlborough Jan. 20 63.2 66.8 — 3.07
(Accum. Units) 76.8 80.9 — 3.07
Vangd. Gwth. Jan. 20 61.2 64.9 — 2.78
(Accum. Units) 79.8 84.6 — 2.78
Vangrd HY Jan. 20 65.7 70.2 — 10.56
Vangrd. Tst. Jan. 21 50.5 63.3 — 6.56
(Accum. units) 59.5 62.8 — 6.56
Wickmoor Jan. 22 78.5 82.8 +1.1 4.56
(Accum. Units) 101.6 107.7 +1.5 4.56
Wickmoor Dv. Jan. 16 63.1 67.7 — 10.55
(Accum. Units) 64.5 90.7 — 10.55

Tyndall Managers Ltd.(a)(b)(c)
18, Canynge Road, Bristol. 0272 32241
24, Castle St., Edinburgh. 031 225 1168
Capital 167.8 178.0xd -1.2 3.38
(Accum. Units) 257.0 272.6 -1.8 3.38
Income 85.8 91.0xd — 10.75
(Accum. Units) 187.8 199.2 — 10.75
Pref. 93.2 98.8 +0.2 14.65
(Accum. Units) 143.4 152.3 +0.2 14.65
Exempt 117.2 123.2 +0.2 10.39
(Accum. Units) 194.0 203.8 +0.4 10.39
Int. Erns. 299.2 317.2 -1.8 5.38
(Accum. Units) 372.6 395.0 -2.0 5.38
North Amer. Grth. 54.7 58.0xd — 4.88
(Accum. Units) 55.8 59.2 — 4.88
Far Eastern 65.1 69.1 -0.5 1.13
(Accum. Units) 65.6 69.6 -0.4 1.13
Gilt Income 96.3 99.1xd +0.5 12.54
(Accum. Units) 98.3 101.1 +0.5 12.54
Natural Resources 180.0 191.0 -1.6 3.59
Accum. Units 235.0 249.2 -2.2 3.59
Scot. Inc. 153.2 162.4 +0.8 12.14
London Wall Group 0272 32241
Capital Growth 77.7 83.2 -0.5 4.15
Do. Accum. 90.2 96.6 -0.5 4.15
Extra Inc. Growth 22.9 24.8 +0.1 11.19
Do. Accum. 33.7 36.4 +0.1 11.19
Financial Pr'rty 24.6 26.4 — 3.80
Do. Accum. 32.6 34.9 — 3.80
High Inc. Priority 39.5 42.7xd +0.2 12.36
International 29.2 31.3 +0.3 2.62
Special Sits. 31.6 33.9 +0.1 2.98

Tyndall & Co.
Demand Fund* — — — 14.00
Money Fund* — — — 14.00
*Unauthorised—Cash Deposit Funds.

TSB Unit Trusts (y)
PO Box 3, Keens Hse, Andover, Hants, SP10 1PG. 0264 62188. Dealings to 0264 63432-3
(b)TSB General 56.7 61.0xd -0.1 4.71
(b) Do. Accum. 79.8 85.9 -0.2 4.71
(b) TSB Income 62.2 66.9 +0.2 8.62
(b) Do. Accum. 75.7 81.4 +0.3 8.62
(b)TSB Scottish 107.1 115.2 -0.4 2.75
(b)Do. Accum. 121.2 130.4 -0.4 2.75

Ulster Bank♥ (a)
Waring Street, Belfast. 0232 35231
(b)Ulster Growth 38.1 40.9 — 6.12

Unit Trust Account & Mgmt. Ltd.
Regis Hse, King William St, EC4R 9R. 01-623 4951
Friars Hse. Fund 51.7 55.0xd — 4.94
Wieler Growth Fund
Income Units 37.7 39.7 — 4.12
Accum. Units 47.5 50.1 — 4.12

INSURANCE PROPERTY BONDS

Abbey Life Assurance Co. Ltd.
1-3 St. Paul's Churchyard, EC4. 01-248 9111
Equity Fund 43.2 45.5 +0.2 —
Equity Acc. 40.1 42.3 +0.3 —
Property Fd. 201.9 212.6 — —
Property Acc. 228.7 240.8 — —
Selective Fund 122.5 129.0 +0.4 —
Convertible Fund 157.7 166.0 — —
Money Fund 147.0 154.8 — —
♥Prop. Fd. Ser. 4 182.3 191.9 — —
♥Man. Fd. Ser. 4 168.6 177.5 — —
♥Equity Fd. Ser. 4 45.4 47.8 +0.3 —
♥Conv. Fd. Ser. 4 133.9 141.0 — —
♥Money Fd. Ser. 4 132.2 139.2 — —
♥Fixed Int. Fd. Ser. 4 101.6 107.0 — —
♥High Inc. Fd. Ser. 4 89.6 94.4 +0.4 —
♥American Fd. Ser. 4 103.1 108.6 -2.4 —
Pension Property 269.4 283.6 — —
Pension Selective 121.7 128.2 +0.5 —
Pension Managed 242.6 255.4 +0.5 —
Pension Security 183.5 193.2 — —
Pension Equity Fd. 225.7 237.6 +1.2 —
Pension Fixed Int. 94.3 99.8 — —

Albany Life Assurance Co. Ltd.
31, Old Burlington St., W.1. 01-437 5962
♥Equity Fd. Acc. 251.9 265.1 +0.6 —
♥Fixed Int. Acc. 173.8 182.9 +1.9 —
♥Gtd. Money Fd. Acc. 139.6 146.9 +0.2 —
♥Intl. Man. Fd. Acm. 147.8 155.6 -1.0 —
♥Intl. Fxd. Int. Fd. 97.6 102.7 +0.6 —
♥Prop. Fd. Acc. 143.6 151.1 — —
♥M'ple Inv. Acc. 215.8 227.1 +0.7 —
Equity Pen. Fd. Acc. 326.8 344.0 +1.2 —
Fixed I. Pen. Acc. 259.0 272.6 +2.9 —
G'td. Mon. Pen. Acc. 179.5 188.9 +0.5 —
Intl. Mn. PnFd Acc. 170.3 179.3 -1.4 —
Prop. Pen. Acc. 181.0 190.5 — —
M'ple Inv. Pen. Acc. 298.1 313.8 +1.2 —

AMEV Life Assurance Ltd.♥
2-6, Prince of Wales Rd., B'mouth. 0202 762122
AMEV Managed 169.4 178.5 +4.3 —
AMEV Mgd. 'B' 136.1 143.4 — —
AMEV Money Fd. 129.7 136.6 +0.2 —
AMEV Equity Fd. 136.7 144.0 +1.6 —
AMEV Fixed Int. 84.4 88.9 -0.7 —
AMEV Prop. Fd. 129.6 136.6 — —
AMEV Mgd. Pen. Fd. B 121.6 128.1 — —
AMEV Mgd. Pen. 128.6 135.5 — —
Flexifund 108.2 114.0 — —
AMEV/Framlington
American 112.3 118.3 -2.2 —
Income 105.1 110.8 +0.5 —
Int. Growth 127.1 133.9 -0.6 —
Capital Fund 115.0 121.2 +0.6 —

Barclays Life Assur. Co. Ltd.
252 Romford Rd., E7. 01-534 5544
Barclaybonds 151.7 159.7 -0.1 —
Equity 143.1 150.7 -0.5 —
Gilt-edged 119.9 126.3 +0.5 —
International 104.9 110.5 -0.4 —
Managed 131.2 138.2 -0.1 —
Money 120.5 126.9 — —
Property 154.8 163.0 — —
Man. Pens. Accum. 147.9 155.7 — —
Do. Initial 133.9 141.0 — —
Gilt Edg. Pens. Acc. 133.8 140.9 — —
Do. Initial 118.1 124.4 — —
Money Pens. Acc. 136.5 143.7 — —
Do. Initial 121.5 127.9 — —

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3. 01-623 1288
Black Horse Man. Fd. 157.55 — —
Managed Inv. Fd. 114.62 120.66 — —
Property Fd. 113.38 119.35 — —
Fixed Interest Fd. 105.36 110.91 — —
Cash Fd. 113.37 119.34 — —
Income Fd. 102.99 108.42 — —
Extra Income Fd. 106.05 111.64 — —
Worldwide Growth Fd. 138.97 146.18 — —
Balanced Fd. 109.54 115.31 — —
Smlr. Co's & Recy. Fd. 105.56 111.12 — —
Int. Technology Fd. 139.46 146.80 — —

Canada Life Assurance Co.
2-6, High St., Potters Bar, Herts. P. Bar 51122
Equity Gth. Fd. Jan. 6 71.6 — —
Retmt. Fd. Jan. 6 151.9 — —

Cannon Assurance Ltd.
1 Olympic Way, Wembley HA9 0NB. 01-902 8876
Equity Units £23.83 +0.07 —
Property Units £15.63 — —
Equity Bond/Exec. £15.97 16.90 +0.05 —
Prop. Bond/Exec. £17.87 18.91 — —
Bal. Bd./Exec/Unit £17.02 18.01 +0.02 —
Deposit Bond 136.9 144.9 — —
Equity Accum. 279.4 +1.0 —
Property Accum. £18.80 — —
Mngd. Accum. 231.2 +1.3 —
2nd Equity 126.9 134.3 +0.4 —
2nd Property 139.1 147.2 — —
2nd Managed 126.0 133.3 +0.1 —
2nd Deposit 119.4 126.5 — —
2nd Gilt 102.5 108.5 — —
2nd American 113.8 120.4 -0.9 —
2nd Intl. Money 101.2 107.1 -0.4 —
2nd Eq. Pens./Acc. 150.8 159.6 +0.6 —
2nd Prp. Pens/Acc. 159.2 168.5 — —
2nd Mgd. Pens/Acc. 143.2 151.5 +0.2 —
2nd Dep. Pens/Acc. 138.1 146.1 — —
2nd Gilt Pens/Acc. 118.7 125.6 — —
2nd Am. Pens/Acc. 129.6 137.1 -1.2 —
2nd Intl. Money Pens/Acc. 103.6 109.6 -0.5 —
L & E S.I.F. 51.5 54.5 — —
L & E S.I.F. 2 36.0 38.0 — —
Current value Jan. 21.

Capital Life Assurance♥
Coniston House, Chapel Ash W'ton. 0902 28511
Key Invest. Fd. 126.66 — —
Pacemaker Inv. Fd. 82.16 — —

Charterhouse Magna Gp.♥
Stephenson Hse., Brunel Centre, Bletchley, Milton Keynes. 0908 641272
Chrthse Energy 63.6 — —
Magna Bld. Soc. 162.3 — —
Magna Managed 169.4 — —

Chieftain Assurance Funds
11 New Street, EC2M 4TP. 01-283 3933
Managed Growth 160.30 161.32 +0.27 —
Managed Income 60.45 64.68 +0.28 —
International (z) 122.15 128.59 +0.20 —
High Income 82.72 87.28 +0.18 —
Income & Growth 82.39 86.75 -0.21 —
Basic Resources 172.07 181.12 -2.15 —
American (z) 124.37 130.92 +0.21 —
Far Eastern (z) 137.33 144.55 +1.56 —
Cash 113.37 119.34 — —

City of Westminster Assurance
Ashton House, 499 Silbury Boulevard, Milton Keynes, MK9 2LA. 0908-606101
Series (2) (1) Bid
West Prop. Fund 88.4 93.1 — 84.2
Managed Fund 210.2 221.3 — 200.4
Equity Fund 64.9 68.3 +0.2 63.6
Farmland Fund 88.0 92.7 — 84.0
Money Fund 150.1 158.2 — 150.6
Gilt Fund 81.1 85.4 +0.2 81.3
Black Gold Fd. 110.7 116.6 +0.1 110.7
PULA Fund 226.0 231.0 — 226.0
Soc. Prop. Units 75.2 78.9 — 75.2
Pens. Gtd. Capital 155.8 — 163.4
Pens. Gtd. Accum. 183.8 — 183.8
Pens. Mngd. Cap. 156.7 — 163.4
Pens. Mngd. Acc. 161.0 — 161.0
Pens. Money Cap. 57.7 — 60.2
Pens. Money Acc. 66.7 — 66.7
Pens. Equity Cap. 56.8 -0.3 58.1
Pens. Equity Acc. 65.6 -0.3 64.3
Pens. Gilt Short Cap. 53.6 +0.1 53.6
Pens. Gilt Short Acc. 59.5 +0.1 59.0
Pens. Gilt Med. Cap. 51.3 +0.1 53.6
Pens. Gilt Med. Acc. 59.4 +0.2 59.4
Pens. Gilt Long Cap. 50.4 +0.2 52.5
Pens. Gilt Long Acc. 58.2 +0.2 58.2
NFSE Cap. 123.3 — —
NFSE Acc. 129.7 — —
Soc. First Unit Fund 138.4 197.8 — 188.4
Fund currently closed to new investment.
Perform Units 253.1 — —
Series (2) Prices are for policies issued after 1.1.1980.
Series (1) These are bid prices for earlier policies.

Commercial Union Group
St. Helen's, 1, Undershaft, EC3. 01-283 7500
Vn. An. Jan. 17 79.56 — —
Do. Annuity Uts. 24.15 — —
"Hand in Hand" Investment Bond
Cash 100.3 105.6 +0.1 —
Fixed Interest 97.4 102.5 -0.5 —
Property 104.3 109.8 +0.4 —
Nat West Unit Trust 102.8 108.2 +1.6 —

Confederation Life Insurance Co.
50, Chancery Lane, WC2A 1HE. 01-242 0282
♥Equity Fund 248.0 261.0 — —
♥Managed Fund 248.8 261.8 — —
♥PIP Fund 569.4 — —
Psnal. Pen. Mngd. 107.3 115.0 — —
Staffguard Man. Pen. 109.5 115.0 — —
Group Mngd. Pen. 285.1 290.1 — —
Fixed Int. Pen. 262.2 273.3 — —
Equity Pension 373.8 383.4 — —
Property Pension 259.1 276.0 — —

Cornhill Insurance Co. Ltd.
32, Cornhill, E.C.3. 01-626 5410
Equity Fd. Jan. 20 95.0 100.0 — —
Fixed Int. Fd. Jan. 20 95.0 100.0 — —
Man. Grw. Fd. Dec. 20 227.0 239.0 — —
Money Fd. Jan. 20 95.0 100.0 — —
Cap. Fd. Jan. 15 159.0 — —
G. & S. Spec. Fd. 65.0 — —

Credit & Commerce Insurance
120, Regent St., London W1R 5FE. 01-439 7081
C&C Deposit Fund 100.0 106.0 — —
C&C Equity Fund 100.0 106.0 — —
C&C Fixed Int. Fd. 100.0 106.0 — —
C&C Mngd. Fd. 152.0 161.0 — —

Crown Life,
Crown Life Hse., Woking GU21 1XW 04862 5033
Dist. Fd. Incm. 110.2 115.9 — 10.60
Mang'd Fd. Acc. 137.0 144.2 -0.3 —
Mang'd Fd. Init. 126.2 132.8 -0.3 —
Mang'd Fd. Incm. 120.5 126.8 -0.2 8.68
Property Fd. Acc. 121.7 128.1 — —
Property Fd. Init. 112.3 118.2 — —
Property Fd. Incm. 103.2 108.6 — 9.74
Fixed Int. Fd. Acc. 124.4 130.9 +0.5 —
Fixed Int. Fd. Incm. 104.3 109.7 +0.5 13.69
Equity Fd. Acc. 139.5 146.9 -0.6 +0.2
Equity Fd. Init. 129.1 135.8 -0.6 —
Equity Fd. Incm. 126.3 132.9 -0.6 4.77
Inv. Tst. Fd. Acc. 141.1 148.5 +0.5 —
Inv. Tst. Fd. Init. 130.4 137.2 +0.5 —
Inv. Tst. Fd. Incm. 129.1 135.8 +0.5 4.03
Money Fd. Acc. 116.7 122.8 +0.1 —
Money Fd. Incm. 95.5 100.5 — 14.39
Inter'l. Fd. Acc. 126.8 133.4 -0.1 —
Inter'l. Fd. Incm. 117.2 123.3 -0.1 4.73
High Income Fd. 97.8 102.9 -0.6 —
EWS Coronet Fd. 115.4 121.4 — —
Carr Sebag Inv. Fd. 130.1 136.9 — —
Regency Fd. 100.4 105.6 — —
Brewin Equity Fd. 133.6 140.6 — —
Brewin Fixed Int. Fd. 98.0 103.1 — —
Strategic Inv. Fd. 93.5 98.4 — —
Beaufort Man. Fd. 95.6 100.6 — —
St. George Mangd. Fd. 99.2 104.4 — —
Crown. Brit. Inv. A 201.7 — —
Pens. Mixed. Fd. 125.4 129.9 — —

Crusader Insurance Co. Ltd.
Tower Hse, 38 Trinity Sq., EC3N 4DJ 488 2323
Grth. Prop. Jan. 5 99.4 110.7 — —

Eagle Star Insur./Midland Assur.
1, Threadneedle St., EC2. 01-588 1212
Eagle/Mid. Units 65.2 67.6 -0.3 6.85

Equity & Law Life Ass. Soc. Ltd♥
Amersham Road, High Wycombe. 0494 33377
Equity Fd. 152.3 160.3 — —
Property Fd. 162.8 171.3 — —
Fixed Interest F. 125.3 131.8 — —
Gtd. Deposit Fd. 121.7 128.1 — —
Mixed Fd. 145.4 153.0 — —

Equity & Law (Managed Funds) Ltd.
Amersham Road, High Wycombe. 0494 33377
Ind. Pen. Equity 140.0 147.3 — —
Ind. Pen. Property 116.5 122.6 — —
Ind. Pen. Fixed Int. 113.8 119.7 — —
Ind. Pen. Overseas 120.8 127.1 — —
Ind. Pen. Cash 113.1 119.0 — —
Ind. Pen. Balanced 122.5 128.9 — —
Ind. Pen. Dep. Admin. 171.9 177.7 — —
Prices at Jan. 15. Next settlement Feb. 12.
Group Pension Funds—Prices Available On Request.

Family Assurance Society
(See Planned Savings Group)

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY. 01-488 0733
Intl. Managed Bond 116.8 123.0 — —

General Portfolio Life Ins. C. Ltd.♥
Crossbrook St., Cheshunt, Herts. Waltham X 31971
Portfolio Fd. Acc. 169.5 — —
Portfolio Fd. Init. 156.5 — —
Portfolio Man. Acc. 47.4 49.9 — —
Portfolio Man. Init. 45.0 47.4 — —

Growth & Sec. Life Ass. Soc. Ltd.♥
Weir Bank, Bray-on-Thames, Berks. 0628 34284
Flexible Finance 127.0 — —
Landbank Secs. 57.72 — —
Landbank Scs. Acc. 139.6 143.5 — —
G. & S. Super Fd. £8.024 — —

Guardian Royal Exchange
Royal Exchange, E.C.3. 01-283 7101
Guardian Assurance
Property Bonds♥ 261.0 271.8 — —
GRE Linked Life Assurance Limited
Managed Initial 137.0 144.3 +0.8 —
Do. Accum. 143.1 150.7 +0.9 —
Equity Initial 153.3 161.5 +1.6 —
Do. Accum. 160.2 168.6 +1.6 —
Fixed Int. Initial 129.9 136.8 +0.2 —
Do. Accum. 135.7 142.9 +0.2 —
International Initial 120.7 127.2 -1.4 —
Do. Accum. 126.1 132.8 -1.5 —
Property Initial 107.0 112.7 — —
Do. Accum. 111.6 117.5 — —
Deposit Initial 107.1 112.7 — —
Do. Accum. 111.9 117.8 — —
GRE Pensions Management Ltd.
Pens. Managed Initial 117.8 124.0 +1.0 —
Pens. Managed Acc. 120.2 126.6 +1.1 —
Pens. Equity Initial 119.0 125.3 +1.9 —
Pens. Equity Acc. 121.4 127.8 +1.9 —
Pens. Fxd. Int. Initial 113.7 119.8 +0.2 —
Pens. Fixed Int. Acc. 116.1 122.2 +0.2 —
Pens. Int'l Initial 114.5 120.5 -0.8 —
Pens. Int'l. Acc. 116.9 123.1 -0.8 —
Pens. Prop. Initial 99.5 104.8 — —
Pens. Prop. Acc. 101.4 106.8 — —
Pens. Depos. Initial 108.7 114.5 — —
Pens. Depos. Acc. 111.0 116.9 — —

Hambro Life Assurance Limited
7 Old Park Lane, London, W1 01-499 0031
Fixed Int. Dep. 153.0 161.1 +0.3 —
Equity 240.2 252.9 +1.9 —
Property 230.6 242.8 +0.3 —
Managed Cap. 169.1 178.0 +1.0 —
Managed Acc. 234.7 247.1 +1.5 —
Overseas 155.0 163.2 +2.1 —
Gilt Edged 148.1 155.9 +0.9 —
American Acc. 127.3 134.0 -1.5 —
Pen. F.I. Dep. Cap. 161.5 170.0 — —
Pen. F.I. Dep. Acc. 206.0 216.9 — —
Pen. Prop. Cap. 287.1 302.3 — —
Pen. Prop. Acc. 404.5 425.8 — —
Pen. Man. Cap. 269.8 284.1 — —
Pen. Man. Acc. 380.0 400.0 — —
Pen. Gilt Edg. Cap. 150.3 158.3 — —
Pen. Gilt Edg. Acc. 173.1 182.3 — —
Pen. Eq. Cap. 336.7 354.5 — —
Pen. Eq. Acc. 359.5 378.5 — —
Pen. B.S. Cap. 157.0 161.9 — —
Pen. B.S. Acc. 195.1 204.9 — —
Pen. D.A.F. Cap. 128.7 — —
Pen. D.A.F. Acc. 142.5 — —

Hearts of Oak Benefit Society
129, Kingsway, London, WC2B 6NF 01-404 0393
Hearts of Oak 44.1 46.9 — —

Henderson Administration
11 Austin Friars, London, EC2. 01-588 3622
High Income Fd. 93.1 98.1 +0.1 —
Gilt Edged Fund 94.0 99.0 +0.4 —
Capital Growth Fund 95.0 100.1 -0.3 —
Special Situations Fd. 105.1 110.6 -0.7 —
North American Fund 103.8 109.3 -0.4 —
Far East Fund 113.0 119.0 -0.7 —
Property Fund 97.8 103.0 — —
Managed Fund 101.2 106.6 -0.4 —
Deposit Fund 96.7 102.9 — —

Hill Samuel Life Assur. Ltd.♥
NLA Twr., Addiscombe Rd., Croy. 01-686 4355
♦Property Units 229.0 240.5 — —
Property Series A 140.5 148.0 — —
Managed Units 196.1 206.5 — —
Managed Series A 114.8 120.9 — —
Managed Series C 102.4 107.8 — —
Money Units 147.8 155.6 — —
Money Series A 118.0 124.2 — —
Fixed Int. Ser. A 112.9 118.9 — —
Equity Series 109.1 114.9 — —
Pns. Managed Cap. 171.2 180.3 — —
Pns. Managed Acc. 197.5 208.0 — —
Pns. G'teed. Cap. 129.8 136.8 — —
Pns. G'teed. Acc. 149.7 157.7 — —
Pens. Equity Cap. 128.5 135.5 — —
Pens. Equity Acc. 141.1 148.6 — —
Pns. Fxd. Int. Cap. 114.2 120.3 — —
Pns. Fxd. Int. Acc. 125.5 132.1 — —
Pens. Prop. Cap. 110.3 116.1 — —
Pens. Prop. Acc. 121.0 127.4 — —

Imperial Life Ass. Co. of Canada
Imperial House, Guildford. 71255
Growth Fund Jan. 16 100.0 108.7 — —
Pen. Man. Fd. Jan. 16 92.3 100.4 — —
Unit Linked Portfolio
Managed Fund 115.2 121.3 — —
Fixed Int. Fd. 113.9 119.9 — —
Secure Cap. Fd. 116.7 122.8 — —
Equity Fund 126.4 133.0 — —
Property Fund 96.9 102.0 — —

Irish Life Assurance Co. Ltd.
Basildon House, 7/11 Moorgate, EC2. 01-606 8401
Blue Chip Jan. 16 80.4 84.6 — —
Blue Chip Ser. II 107.8 113.5 — —
Managed Fund 257.5 271.0 — —
Mangd. Fd. Ser. II 103.5 108.9 — —
Exempt Man. Fd. 141.6 149.1 — —
Prop. Mod. Jan. 6 227.2 239.1 — —
Prop. Mod. Gt. Jan. 6 270.9 285.1 — —
Prop. Mod. Grth. Ser. II 127.0 133.6 — —

King & Shaxson Ltd.
52 Cornhill, EC3. 01-623 5433
Bond Fd. Exempt 91.23 92.47 +0.02 —

Langham Life Assur. Co. Ltd.
Langham Hse., Holmbrook Dr., NW4 01-203 5211
Harvest Pen. Fund 110.4 116.4 — —
Langham 'A' Plan 71.8 75.6 — —
♥Prop. Bond 179.1 188.5 — —
Wisp (SP) Man Fd 85.9 90.4 — —

Legal & General (Unit Assur.) Ltd.♥
Kingswood House, Kingswood, Tadworth, Surrey KT20 6EU. Burgh Heath 53456
Cash Initial 107.9 113.6 — —
Do. Accum. 119.4 125.7 +0.1 —
Equity Initial 160.0 168.5 -0.7 —
Do. Accum. 177.1 186.5 -0.7 —
Fixed Initial 137.7 144.9 +0.2 —
Do. Accum. 147.7 155.5 +0.2 —
Intl. Initial 140.3 147.7 -0.5 —
Do. Accum. 152.9 161.0 -0.5 —
Managed Initial 153.4 161.5 -0.2 —
Do. Accum. 169.7 178.7 -0.3 —
Property Initial 127.7 134.5 +0.1 —
Do. Accum. 141.3 148.8 — —
Legal & General (Unit Pensions) Ltd.
Exempt Cash Init. 125.5 132.1 +1.5 —
Do. Accum. 138.7 146.1 +2.0 —
Exempt Eqty. Init. 206.2 217.1 -3.5 —
Do. Accum. 227.9 239.9 -3.3 —
Exempt Fixed Init. 171.2 180.3 +1.6 —
Do. Accum. 189.3 199.3 +2.2 —
Exempt Mngd. Init. 195.5 205.8 -1.0 —
Do. Accum. 216.1 227.5 -0.3 —
Exempt Prop. Init. 134.9 142.1 +2.1 —
Do. Accum. 149.1 157.0 +2.7 —

Legal & General Prop. Fd. Mgrs. Ltd.
11, Queen Victoria St., EC4N 4TP. 01-248 9678
L & G Jan. 1 110.4 115.1 — —
Next sub. day Feb. 1.

Life Assur. Co. of Pennsylvania
8, New Rd., Chatham, Kent. Medway 812348
LACOP Units 10.65 11.18 -0.14 —

Lloyds Life Assurance
20, Clifton St., EC2A 4HX 01-247 7699
Multi Gwth. Jan. 6 1.77520 — —
Op. 5 'A' Prop. Jan. 22 198.7 209.2 +0.8 —
Op. 5 'A' Eqty. Jan. 22 172.9 182.0 +2.8 —
Op. 5 'A' Hy. Jan. 22 172.9 182.1 +1.7 —
Op. 5 'A' Man. Jan. 22 192.8 202.5 +2.4 —
Op. 5 'A' Deprd Jan. 22 149.1 157.0 +0.3 —
Op. 5 'A' IaDs Jan. 22 91.7 96.6 +2.2 —
Op. 5 'A' In. Jan. 22 97.1 102.5 +0.5 —
Op. 5 'A' Intl. Jan. 22 102.9 108.4 +1.5 —
Pens. Pr. Ac. Jan. 15 200.8 211.5 — —
Pens. Pr. Cp. Jan. 15 166.4 175.2 — —
Pens. Eq. Ac. Jan. 15 426.2 448.7 — —
Pens. Eq. Cp. Jan. 15 353.1 371.7 — —
Pens. Fxd. Ac. Jan. 15 231.7 243.9 — —
Pens. Fxd. Cp. Jan. 15 191.9 202.1 — —
Pens. Mg. Ac. Jan. 15 299.0 314.8 — —
Pens. Mg. Cp. Jan. 15 247.7 260.8 — —
Pens. Dp. Ac. Jan. 15 199.1 209.6 — —
Pens. Dp. Jan. 15 165.0 173.7 — —
Britannia Funds—Series A
Commodity Jan. 21 99.5 104.8 — —
Extra Income Jan. 21 87.1 91.7 — —
Far East Jan. 21 113.3 119.3 — —
Fin. Secs. Jan. 21 107.0 112.7 — —
Gold & Gen. Jan. 21 84.9 89.4 — —
Growth Jan. 21 88.4 93.1 — —
Inc. & Grwth Jan. 21 93.3 98.3 — —
Intl. Grwth. Jan. 21 101.9 107.3 — —
Minerals Jan. 21 94.7 99.7 — —
Nt. High Inc. Jan. 21 84.4 88.9 — —
N. American Jan. 21 108.3 114.1 — —
Prop. Shrs. Jan. 21 98.6 103.8 — —
Sp. Situation Jan. 21 88.6 93.3 — —
Status Change Jan. 21 101.2 106.6 — —
Univ. Jan. 21 105.0 110.6 — —
Man. Growth Jan. 21 98.3 103.5 — —
Gilt Jan. 21 92.7 97.6 — —
Gartmore Funds—Series A
American Jan. 20 113.5 119.5 — —
Commodity Jan. 20 104.5 110.0 — —
Extra Income Jan. 20 91.2 96.0 — —
Far Eastern Jan. 20 128.1 134.9 — —
High Income Jan. 20 94.9 99.8 — —
Income Jan. 20 99.6 104.9 — 3.5
International Jan. 20 127.4 134.2 — —
Special Sits. Jan. 20 112.8 118.8 — —
Gilt Jan. 20 97.2 102.4 — —

London A'deen & Nthn. Mtl. Assur. Ltd.
129 Kingsway, London, WC2B 6NF. 01-404 0393
'Asset Builder' 50.0 52.7 — —

London Indemnity & Gnl. Ins. Co. Ltd
18-20, The Forbury, Reading 583511
Money Manager 43.4 46.7 -0.1 —
M.M. Flexible 38.1 40.3 — —
Fixed Interest 41.0 43.3 — —

London Life Linked Assur. Ltd.
81 King William St., EC4N 7BD. 01-626 0511
Equity 120.1 123.7 +0.5 —
Fixed Interest 103.7 104.2 +0.8 —
Property 122.5 127.0 — —
Deposit 118.3 113.2 +0.2 —
Mixed 113.3 115.7 +0.5 —

The London & Manchester Ass. Gp.♥
Winslade Park, Exeter. 0392 52155
Cap. Growth Fund 274.6 — —
♦Flex. Exempt Fd. 154.6 — —
♦Exempt Prop. Fd. 143.3 — —
♦Expt. Inv. Tst. Fd. 241.9 — —
Flexible Fund 134.2 — —
Inv. Trust Fund 181.6 — —
Property Fund 107.7 — —
Gtd. Deposit Fd. 121.1 — —
Fixed Interest Fd. 98.2 — —

M & G Group♥
Three Quays, Tower Hill, EC3R 6BQ. 01-626 4588
American Fd. Bond* 58.9 61.9 — —
Convert. Deposit* 146.4 153.8 — —
Equity Bd. (Acc.)** 182.9 192.1 +0.8 —
Extra Yield Fd. Bd.* 85.1 89.5 — —
Family 1981** 273.0 +0.7 —
Family 82-86** 256.1 +1.8 —
Gilt Bond** 135.7 142.6 — —
High Yield Bond*** 86.1 90.5 — —
Internatnl. Bond** 130.6 137.3 -1.0 —
Japan Fd. Bond* 55.9 58.8 — —
Managed Bond*** 185.0 194.4 — —
Persnl. Pension*** 362.9 — —
Property Bond** 211.9 222.6 +0.1 —
Recovery Fd. Bond* 93.3 98.1 — —
*Jan. 21. **Jan. 22. ***Jan. 16.
Flexible Pension Fund prices on Jan. 20.
Managed (Cap.) 124.1 130.8 — —
Do. (Accum) 153.0 159.8 — —
Equity (Cap) 117.0 123.0 — —
Do. (Accum) 125.4 131.8 — —
Property (Cap) 110.9 116.8 — —
Do. (Accum) 118.9 125.0 — —
Fixed Interest (Cap) 136.3 143.0 — —
Do. (Accum) 145.9 153.3 — —
Deposit (Cap) 107.2 112.6 — —
Do. (Accum) 114.9 120.7 — —
American (Cap) 111.9 117.5 — —
Do. (Accum) 119.9 125.9 — —
Pacific (Cap) 176.4 185.3 — —
Do. (Accum) 189.1 198.6 — —

Manufacturers Life Insurance Co.
St. George's Way, Stevenage. 0438 56101
Managed 155.3 163.5 — —
Property 153.7 162.8 — —
Equity 136.6 143.8 — —
Gilt Edged 163.4 172.0 — —
Deposit 120.7 127.0 — —
Investment 58.7 61.9 — —
International 128.9 135.7 — —

Merchant Investors Assurance♥
Leon House, 233 High St., Croydon 01-686 9171
Property 227.1 — —
Property Pens. 262.7 — —
Equity 74.8 — —
Equity Pens. 232.8 — —
Money Market 174.4 — —
Money Mkt. Pens. 242.9 — —
Deposit 157.7 — —
Deposit Pens. 194.4 — —
Managed 137.7 — —
Managed Pens. 240.5 — —
Intl. Equity 178.4 — —
Do. Pens. 199.3 — —
Intl. Managed 156.3 — —
Do. Pens. 165.8 — —

NEL Pensions Ltd.
Milton Court, Dorking, Surrey. 5911
Nelex Eq. Cap. 113.4 119.3 — —
Nelex Eq. Accum. 167.2 175.9 -0.6 —
Nelex Money Cap. 62.4 65.6 — —
Nelex Mon. Acc. 75.3 79.2 — —
Nelex Gth Inc Cap. 66.8 70.3 — —
Nelex Gth Inc Acc. 75.5 79.4 — —
Nel Mxd. Fd. Cap. 52.6 55.3 — —
Nel Mxd. Fd. Acc. 60.7 63.8 — —
Nelex Deposit Cap. 56.9 59.8 — —
Nelex Deposit Acc. 62.6 65.8 — —
Nelex Int. Fxd. Int. Cap. 47.6 50.1 — —
Nelex Int. Fxd. Int. Acc. 49.9 52.5 — —
Next sub. day January 25.

NPI Pensions Management Ltd.
48 Gracechurch St., EC3P 3HH. 01-623 4200
Managed Fund 227.1 236.6 — —
Prices Jan. 2. Next dealing Feb. 2.

New Zealand Ins. Co. (UK) Ltd.♥
Maitland House, Southend SS1 2JS 0702 62955
Kiwi Key Inv. Plan 228.8 235.9 — —
UK Equity 92.1 97.0 +0.4 —
American 131.9 138.9 -1.3 —
Pacific 205.4 216.3 +0.3 —
Property 109.4 115.2 +0.3 —
Gilt 125.9 132.5 +0.4 —
High Inc. Equity 98.0 103.2 +0.5 —
High Inc. Fxd. Int. 98.2 103.4 — —
Deposit 110.5 116.5 — —

Norwich Union Insurance Group♥
PO Box 4, Norwich NR1 3NG. 0603 22200
Managed Fund 263.1 276.9 +0.1 —
Equity Fund 417.3 439.0 -1.2 —
Property Fund 182.0 191.5 +0.1 —
Fixed Int. Fund 173.5 182.3 +1.0 —
Deposit Fund 132.5 139.1 +0.1 —
Nor. Units Jan. 15 238.4 — —

Phoenix Assurance Co. Ltd.
4-5 King William St., EC4P 4HR. 01-626 9876
Wealth Ass. 148.6 156.4 — —
Eb'r. Ph. Eq. E. 112.6 118.6 — —

Planned Savings Group
25 Worship St., London. EC2A 2AB. 01-920 0662
1st Managed 88.6 93.3 — —
1st Fixed Interest 67.6 71.2 — —
4th Managed 55.8 58.8 — —
5th Managed 63.0 66.7 — —
Pension Managed 51.8 54.5 — —
Family Managed 131.2 133.6 — —
Do. B Managed 75.0 76.5 — —
Do. C Britannia 54.1 55.1 — —
Do. D Fxd. Int. 89.1 89.9 — —
Family Capital Fund 69.5 70.9 — —

Premium Life Assurance Co. Ltd.
Eastchester Hse., Haywards Heath. 0444 56721
Balanced 97.0 103.0 — —
Deposit 100.0 106.0 — —
Gilt 96.0 102.0 — —
Natural Resources 99.0 105.0 — —
Property 100.0 106.0 — —
UK Equity 93.0 98.0 — —
International Fund 96.0 102.0 — —

Prop. Equity & Life Ass. Co.♥
42 Houndsditch, London EC3A 7AY 01-621 1124
R. Silk Prop. Bond 224.8 — —
Do. Equity Bond 93.1 — —
Flex Money Bond 173.8 — —

Property Growth Assur. Co. Ltd.♥
Leon House, Croydon CR9 1LU. 01-680 0606
Property Fund 239.8 — —
Property Fund (A) 235.6 — —
Agricultural Fund 917.0 — —
Agric. Fund (A) 400.8 — —
Abbey Nat. Fund 191.0 — —
Abbey Nat. Fd. (A) 190.5 — —
Investment Fund 92.0 — —
Investment Fund (A) 90.6 — —
Equity Fund 252.7 -1.1 —
Equity Fund (A) 239.6 -1.1 —
Money Fund 171.2 — —
Money Fund (A) 169.2 — —
Actuarial Fund 140.1 — —
Gilt-edged Fund 148.8 +0.6 —
Gilt-Edged Fd. (A) 148.8 +0.6 —
♦Retire Annuity 268.4 — —
♦Immed. Ann'ty 112.0 — —
International Fd. 138.4 — —
Prop. Growth Pensions & Annuities Ltd.
All Wther Ac. Uts 168.1 177.0 — —
♥Inv. Fd. Uts. 205.3 — —
Pension Fd. Uts. 178.7 — —
Conv. Pens. Fd. 199.2 — —
Cnv. Pns. Cap. Ut. 164.3 — —
Man. Pens. Fd. 198.0 — —
Man. Pens. Cap. Ut. 168.8 — —
Prop. Pens. Fd. 200.3 — —
Prop. Pens. Cap. Uts 167.3 — —
Bldg. Soc. Pen. Ut. 178.3 — —
Bldg. Soc. Cap. Ut. 150.7 — —
Gilts Pens. Fd. 114.5 — —
Gilts Pens. Fd. Cap. 110.4 — —
Equity Pens. Fd. 124.0 — —
Equity Pens. Fd. Cap. 119.4 — —

Providence Capitol Life Assc. Co. Ltd.
30 Uxbridge Road, W12 8PG. 01-749 9111
Sel. Mkt. Fd. Std. 146.7 154.6 — —
Pension Equity 165.5 171.6 — —
Pension Fxd. Int. 150.0 154.6 — —
Deposit Fd. Acc. 59.0 62.1 — —
Ind. Pens. Dep. Fd. Acc. 48.3 51.4 — —
Equity Fd. Acc. 59.7 62.9 — —
Ind. Pens. Eq. Fd. Acc. 48.5 51.5 — —
Fxd. Int. Acc. 53.8 56.7 — —
Ind. Pens. Fxd. Int. Acc. 45.3 47.7 — —
Intnl. Acc. 50.8 53.5 — —
Ind. Pens. Intnl. Acc. 53.3 56.2 — —
Managed Fd. Acc. 56.0 59.0 — —
Ind. Pens. Man. Fd. Acc. 48.4 51.0 — —
Property Fd. Acc. 77.7 81.8 — —
Ind. Pens. Prop. Fd. Acc. 48.7 51.3 — —
For prices of Capital Units ring 01-749 9111

Provincial Life Assurance Co. Ltd.
222 Bishopsgate, EC2. 01-247 6533
Prov. Managed Fd. 149.6 157.5 -0.3 —
Prov. Cash Fd. 123.1 130.4 — —
Gilt Fund 134.2 141.3 +1.1 —
Property Fund 137.1 144.3 — —
Equity Fund 137.1 144.4 -0.2 —
Fxd. Int. Fund 115.3 121.4 +0.5 —

Prudential Pensions Limited♦
Holborn Bars, EC1N 2NH. 01-405 9222
Equity Fd. Dec. 17 36.16 37.22 — —
Fixed Int. Dec. 17 22.74 24.05 — —
Prop. Fd. Dec. 17 42.19 43.49 — —

Reliance Mutual
Tunbridge Wells, Kent. 0892 22271
Prop Fd. (1st Issue) 303.9 — —
Prop Fd. (2nd Issue) 95.0 100.0 — —
Managed Fd. 94.2 99.2 — —

Rothschild Asset Management
St. Swithins Lane, London EC4. 01-626 4356
N.C. Prop. 162.4 172.8 — —
Next sub. period Mar. 31/Apr. 15.

Royal Insurance Group
New Hall Place, Liverpool. 051-227 4422
Royal Shield Fd. 188.7 199.6 — —

Save & Prosper Group♥
4, Gt. St. Helen's, Lndn., EC3P 3EP. 01-554 8899
Bal. Inv. Fd. 166.3 176.0 -0.1 —
Property Fd.* 211.3 223.5 — —
Gilt Fd. 144.3 152.8 -0.8 —
Deposit Fd.† 151.5 160.4 — —
Comp. Pens. Fd.† 297.1 314.4 — —
Equity Pens. Fd. 278.1 293.3 -1.7 —
Prop. Pens. Fd.* 399.5 422.6 — —
Gilt Pens. Fd. 121.6 128.7 +0.4 —
Depos. Pens. Fd.† 137.0 145.0 +0.4 —
*Prices on Jan. 14. †Weekly Dealings.

Schroder Life Group♥
Enterprise House, Portsmouth. 0705 27733
Equity 299.1 314.5 +0.3 —
Fixed Int. 163.1 171.8 +0.5 —
Managed 173.4 182.7 +0.2 —
Money 150.1 157.0 — —
Overseas 104.0 109.5 -1.1 —
Property 210.4 221.5 — —
CCM Vanguard 115.0 121.1 -0.4 —
K & S Govt. Secs. 129.3 136.1 — —
Income Distrib. 92.4 97.4xd +1.1 —
Income Accum. 101.1 106.5 +1.2 —
Capital 97.0 102.2 -0.2 —
General 94.0 99.0 -0.2 —
Europe 85.2 90.1 -0.8 —
Smaller Co's 91.2 96.0 -2.1 —
B.S. Pen. Cap. 155.7 163.6 +0.3 —
B.S. Pen. Acc. 185.6 195.9 +0.5 —
Equity Pension Cap. 128.6 135.5 -1.8 —
Equity Pension Acc. 140.1 147.6 -1.9 —
Mngd. Pen. Cap. 277.3 291.9 -1.0 —
Mngd. Pen. Acc. 357.3 376.2 -2.3 —
F. Int. Pen. Cap. 111.6 117.6 -0.1 —
F. Int. Pen. Acc. 122.1 128.6 — —
Money Pen. Cap. 122.2 128.8 +0.3 —
Money Pen. Acc. 133.5 140.7 +0.3 —
Prop. Pen. Cap. 157.3 165.6 +0.3 —
Prop. Pen. Acc. 171.2 180.3 +0.3 —
Prices are for Life Series 4. January 22. Pension Series 8, Jan. 20. Other prices on request.

Scottish Widows' Group
PO Box 902, Edinburgh EH16 5BU 031-655 6000
Inv. Ply. Jan. 9 140.5 140.5 — —
Inv. Ply. Sr. Jan. 9 131.7 138.7 — —
Inv. Cash Jan. 9 121.6 128.1 — —
Ex. U. Acc. Jan. 7 175.7 184.3 — —
Ex. U. Inc. Jan. 7 146.7 153.0 — —
Pen. Man. Jan. 7 366.2 366.2 — —

Skandia Life Assurance Co. Ltd.
161-166 Fleet St., London EC4 2DY 01-353 8511
Managed Acc. 110.5 116.3 +0.3 —
Equity Acc. 206.0 213.7 -0.1 —
Gilt Plus Acc. 103.0 108.4 +0.7 —
Pens. Managed Acc. 117.3 123.5 +0.1 —
Pens. Equity Acc. 114.3 120.3 +0.1 —
For Prices of other Units and Guaranteed Basis Rates please Phone 01-353 8511

For Solar Life Assurance Ltd. see Sun Life Unit Assurance Ltd.

Standard Life Assurance Company♥
3 George St., Edinburgh EH2 2XZ. 031-225 7971.
Managed 124.5 130.9 -0.2 —
Property 112.1 118.0 — —
Equity 137.3 144.6 -0.6 —
International 121.5 127.9 -0.3 —
Fixed Interest 110.9 116.8 +0.3 —
Cash 107.5 113.2 — —
Pension Managed 128.3 135.1 — —
Pension Property 105.8 111.4 — —
Pension Equity 140.7 [illegible] -0.4 —
Pension Intl. 120.3 [illegible] -0.1 —
Pension Fxd. Int. 111.7 [illegible] +0.6 —
Pension Cash 108.6 [illegible] +0.1 —

Sun Alliance Fund Mangmt. Ltd.
Sun Alliance House, Horsham. 0403 64141
Ex. Fixed Int. Jan. 14 £176.40 [illegible] — —
Int. Bond Jan. 20 £10 [illegible] — —

Sun Alliance Linked Life Ins. Ltd.
Sun Alliance House, Horsham. 0403 64141
Equity Fund 184.6 [illegible] -1.2 —
Fixed Interest Fund 125.8 [illegible] +0.7 —
Property Fund 163.2 [illegible] +0.1 —
International Fd. 97.5 [illegible] +0.3 —
Deposit Fund 114.6 [illegible] +0.1 —
Managed Fund 140.2 [illegible] — —

Sun Life of Canada (UK) Ltd.
2, 3, 4, Cockspur St., SW1Y 5BH 01-930 5400
Maple Lf. Grth. [illegible] +4.4 —
Maple Lf. Mangd. [illegible] — —
Maple Lf. Eqty. [illegible] +1.3 —
Persnl. Pn. Fd. [illegible] +0.5 —
Pens. Man. Cap 110.3 [illegible] — —
Pens. Man. Acc. 125.3 [illegible] — —

Sun Life Unit Assurance Ltd.
107, Cheapside, London, EC2V 6DU 01-606 7788
Managed Cap. 161.5
Managed Acc. 164.9
Property Cap. 152.9
Property Acc. 157.3
Equity Cap. 216.9
Equity Acc. 223.5
Fixed Interest Cap. 122.5
Fixed Interest Acc. 126.0
Cash Cap. 121.1
Cash Acc. 124.7
International Cap. 154.1
International Acc. 157.2
American Cap. 108.1
American Acc. 111.1
Far Eastern Cap. 129.2
Far Eastern Acc. 131.3
Distribution 94.7
Sun Life Pensions Management Ltd. (funds for individual pension contracts)
Pens. Managed Cap. 121.6
Pens. Managed Acc. 125.2
Pens. Property Cap. 101.4
Pens. Property Acc. 103.6
Pens. Equity Cap. 132.9
Pens. Equity Acc. 136.3
Pens. F. Interest Cap. 99.4
Pens. F. Interest Acc. 101.9
Pens. Cash Cap. 102.3
Pens. Cash Acc. 104.1
Pens. Intnl. Cap. 141.0
Pens. Intnl. Acc. 144.7
Pens. American Cap. 104.6
Pens. American Acc. 107.2
Pens. Far Estrn. Cap. 125.8
Pens. Far Estrn. Acc. 128.0

Target Life Assurance Co. Ltd.
Target House, Gatehouse Road, Aylesbury, Bucks. Aylesbury (0296) 5941
Man. Fund Inc. 120.8
Man. Fund Cap. 118.6
Man. Fund Acc. 161.1
Prop. Fd. Inc. 134.7
Prop. Fund Cap. 120.8
Prop. Fd. Acc. 142
Prop. Fd. Inv. 132
Fixed Int. Fd. Inc. 119.2
Fixed Int. Fd. Cap. 112.3
Dep. Fd. Inc. 107.6
U.K. Equity Fd. Inc. 113.7
U.K. Equity Fd. Cap. 114.0
Int. Equity Fd. Inc. 116.3
Int. Equity Fd. Cap. 111.4
Ret. Plan Ac. Pen. 111.0
Ret. Plan Cap. Pen. 90.3
Man. Pen. Fd. Acc. 223.6
Man. Pen. Fd. Cap. 187.5
Gilt Pen. Fd. Acc. 163.2
Gilt Pen. Fd. Cap. 140.8
Prop. Pen. Fd. Acc. 215.4
Prop. Pen. Fd. Cap. 196.9
Guar. Pen. Fd. Acc. 131.3
Guar. Pen. Fd. Cap. 120.6
D.A. Pen. Fd. Acc. 126.7
D.A. Pen. Fd. Cap. 117.6

Transinternational Life Ins. Co. Ltd.
2 Bream's Bldgs., EC4A 1NU. 01-405 6497
♥Series 2 Man. Fd. 119.9
♥Series 2 Equity Fd. 125.6
♥Series 2 Prop. Fd. 128.4
♥Series 2 Fixed Int Fd. 110.5
♥Series 2 Money Fd. 109.3
♥Series 2 C'sec. Fd. 97.7
♥Tulip Invest. Fd. 196.9
♥Tulip Managed Fd. 147.2
♥Mngd. Inv. Fd. Int. 119.1
♥Mngd. Inv. Fd. Acc. 129.1
Man. Pen. Fd. Cap. 161.6
Man. Pen. Fd. Acc. 166.1

Trident Life Assurance Co. Ltd.♥
London Road, Gloucester 0452 36541
Managed 160.0 [illegible] -0.4 —
Gtd. Mgd. 168.6
Property 109.6
American 113.3 [illegible] -0.6 —
U.K. Equity Fund 154.5 [illegible] -0.7 —
High Yield 152.1
Gilt Edged 138.1
Money 152.3
International 124.0 [illegible] -2.6 —
Fiscal 159.5
Growth Cap. 156.3
Growth Acc. 172.0
Pens. Equity Acc. 160.5 [illegible] +0.4 —
Pens. Mngd. Acc. 176.5 [illegible] +0.5 —
Pens. Gilt Edged Acc. 128.9 [illegible] +1.3 —
Pens. Gtd. Dep. Acc. 135.4 [illegible] +0.4 —
Pens. Ppty. Acc. 181.5 [illegible] +0.2 —
Trdt. Inv. Bond 55.6 [illegible] +0.2 —
MV Fund 97.1

Tyndall Assurance/Pensions(a)(b)(c)
18, Canynge Road, Bristol. 0272 32241
3-Way 155.3 156.3 +1.1 —
Do. Pens. 155.3 159.3 +2.3 —
Equity 193.5 +2.1 —
Bond 165.1 +0.2 —
Property 157.3 -1.3 —
Overseas Inv. 104.2 +1.0 —
UK Inv. 169.1 +1.4 —
Deposit 152.9 +0.2 —
Mn. Pen. 3-W 228.2 228.2 — —
Equity Pen. 347.0 347.0 — —
Bond Pen. 214.2 214.2 — —
Prop. Pen. 154.8 154.8 — —
Dep. Pen. 179.8 179.8 — —

Vanbrugh Life Assurance♥
41-43 Maddox St., Ldn. W1R 9LA. 01-499 4923
Managed Fd. 197.3 198.5 -0.2 —
Equity Fd. 254.5 255.8 -1.2 —
Intnl. Fd. 120.2 126.6 -0.5 —
Fixed Int. Fd. 156.1 159.9 +0.7 —
Prop. Fd. 204.6 215.4 — —
Cash Fd. 146.4 154.1 — —

Vanbrugh Pensions Limited
41-43, Maddox St., Ldn. W1R 9LA 01-499 4923
Managed 136.5 143.6 — —
Equity 153.8 161.9 — —
Fixed Interest 125.4 132.0 — —
Property 137.3 145.1 — —
Guaranteed 12.62 — —

Welfare Insurance Co. Ltd.♥
Winslade Park, Exeter. 0392-52155
Moneymaker Fd. 112.4 — —
For other funds, please refer to The London & Manchester Group.

Windsor Life Assur. Co. Ltd.
Royal Albert Hse., Sheet St., Windsor 68144
Investor Units 96.6 101.6 — —
Accum. Pen. Units 144.7 152.3 — —
Flex. Inv. Growth 127.5 134.2 — —
Future Assd Growth £2.04 58.65 — —
Ret. Ass'd Pen. £33.36 — —

OFFSHORE & OVERSEAS FUNDS

Albany Fund Management Limited
P.O. Box 73, St. Helier, Jersey. 0534 73933
Albany $ Fd. (C.I.) US$173.66 178.00 — 2.27
Next dealing Jan. 30.

Alexander Fund
37, rue Notre-Dame, Luxembourg.
Alexander Fund US$14.94 — —
Net asset value Jan. 19.

Allen Harvey & Ross Inv. Mgt. (C.I.)
1 Charing Cross, St. Helier, Jsy., C.I. 0534-73741
AHR Dollar Inc. Fd. US$10.13 10.14xd — 16.21
AHR Gilt Edg. Fd. £11.52 11.57 +0.04 12.96

Alliance International Dollar Reserves
c/o Bank of Bermuda, Hamilton, Bermuda
Adr: ACIM, 319 High Holborn WC1 404 0577
Daily list: Jan. 22. 0.006459 (18.2% p.a.)

Arbuthnot Securities (C.I.) Limited
P.O. Box 284, St. Helier, Jersey. 0534 76077
East & Intl. Tst. (C.I.) 137.0 142.0 +1.0 2.64
Dealing day Thurs.
Gov't Secs. Tst. (C.I.) 79.5 82.0 +0.3 15.41
Daily Dealings.
Sterling Fd. 120.5 120.6 — —
Dealing on Wed.

Bank of America International S.A.
35 Boulevard Royal, Luxembourg G.D.
Wldinvest Income US$103.25 106.98 — 8.97
Prices at Jan. 15. Next sub. day Jan. 21.

Banque Bruxelles Lambert
2, Rue De la Regence B 1000 Brussels
RentaFund US$57.04 53.81 +0.15 8.54

Barbican Managers (Jersey) Ltd.
P.O. Box 63, St. Helier, Jersey 0534 74806
Barb. Int. Fund 96.8 104.0 — 4.00

Barclays Unicorn International
1, Charing Cross, St. Helier, Jersey. 0534 73741
Overseas Income 39.6 41.9xd — 13.40
Unidollar Trust US$13.36 15.03 — 5.60
Unibond Trust US$95.95 94.93 — 12.50
1, Thomas St., Douglas, Isle of Man. 0624 4856
Unicorn Aust. Ext. 37.0 39.9xd -5.4 1.10
Do. Aust. Min. 28.2 29.7 -3.5 1.10
Do. Grtr. Pacific 117.6 126.7 — —
Do. Intl. Income 29.5 31.8 — 11.60
Do. Isle of Man Tst. 38.4 41.3 — 12.10
Do. Manx Mutual 47.0 50.6 — 2.20

Bishopsgate Commodity Ser. Ltd.
P.O. Box 42, Douglas, I.o.M. 0624-23911
ARMAC* Jan. 5 US$59.50 63.24 — —
COUNT** Jan. 5 £2.759 2.924 — 1.48
CANRHO** Jan. 5 £1.404 1.499 — —
Originally issue *$10 and **£1. Next val. Feb. 2.

Bridge Management Ltd.
GPO Box 590, Hong Kong
N'bashi Dec. 31 Y23,176 — —
Nippon Fd. Jan. 21 US$23.22 24.70 — 1.09

Britannia Trust Management (C.I.) Ltd.
Box 271, Queensway House, Queen Street, St. Helier, Jersey C.I. 0534 73114
Britannia
U.S. Dollar Denominated Funds
Am. Smaller Cos S Fd. 1.77 1.86 — —
Universal $ Trust 128.9 136.6 — —
World Bond Fund 85.0 89.00 — 11.70
Sterling Denominated Fds.
Am. Smaller Cos. Fd. 31.1 44.0 — —
Far East & Int. Fd. 146.5 157.8xd — 1.00
High Interest £ Fund 93.0 95.0 — 14.00
Jersey Energy Tst. 78.8 83.8 — 1.50
U.K. Growth Fund 57.5 60.4xd — 4.50
Sterling Deposit Funds
Managed Curncy. Fd.* £20.52 +0.01 14.59
Capital Dep. Trust** £12.05 12.07xd — 0.25
Schlesinger
Sterling Denominated Funds
Am. Investments 65.9 66.0xd — 10.98
Far East 135.0 142.0 — —
Gilt Fund* 20.0 20.5 +0.1 13.58
Intl. Fd. (Jersey) 135.0 142.0 — 2.46
U.S. Dollar Denominated Funds
Am. Options U.S.S. 0.96 1.01 — 7.43
Intl. Fd. (Lux.)* US$17.33 18.24 -0.21 —
*Daily Dealing—Other Funds Weekly Mondays. **Tuesday Weekly—Capital Return 13%

Brown Shipley Tst. Co. (Jersey) Ltd.
P.O. Box 583, St. Helier, Jersey. 0534 74777
Stlg. Bd. Fd. (h) £9.55 9.58 +0.04 13.65
Sterling Cap. Fd. (C.I.) 12.14 12.15 — —

Butterfield Management Co. Ltd.
P.O. Box 195, Hamilton, Bermuda.
Buttress Equity US$5.55 5.79 — 1.52
Buttress Income 2.17 2.25 — 10.69
Prices at Jan. 5. Next sub. day Feb. 2.

Capitrex S.A.
P.O. Box 178, 1211 Geneva 12. 010 4122 466288
Forsclex SF177.25 185.70 — 4.59
Bondsclex SF119.50 125.20 — —

Capital Asset Managers Ltd.
Bermuda Hse, St. Julians Ave, St. Peter Port, Guernsey C.I. 0481 26268
The Currency Trust 95.0 100.0 — —

Capital International Fund S.A.
43, Boulevard Royal, Luxembourg
Capital Int. Fund US$25.59 — —

Charterhouse Japhet
1 Paternoster Row, EC4 01-248 3999
Adiropa DM25.38 29.80 -0.05 4.43
Adiverba DM49.50 51.98 -0.03 3.27
Fondak DM27.41 28.78 -0.03 4.38
Fondis DM21.75 22.83 +0.06 5.59
Emperor Fund* $9.14 9.69 — —
Hispano $40.6 42.71 — 4.46
*Prices at Dec. 31.

Chawton Commodities (Isle of Man) Ltd.
29, Athol Street, Douglas, I.o.M. 0624 21724
Normandy Metal Trust 1.0655 1.1215 — 4.00
Normandy Com. Tst. 1.0562 1.1117 — 4.00

Clive Investments (Jersey) Ltd.
P.O. Box 56, St. Peter Port, Guernsey. 0481 26521
C. H. Gilt Growth Fd.* 10.35 10.89 +0.05 3.20
Clive Gilt Fd. (C.I.) 9.29 9.31 — 13.48
*Daily Dealings.

Cornhill Ins. (Guernsey) Ltd.
P.O. Box 157, St. Peter Port, Guernsey
Intnl. Man. Fd. 252.0 251.5 — —

Cortexa International
10a, Boulevard Royal, Luxembourg.
Cortexa Intnl. 106.77 — +0.18 —

Craigmount Fixed Int. Mngrs. (Jersey)
P.O. Box 195, St. Helier, Jersey. 0534 27561
Gilt Fund Ltd. 96.4 95.5 — 14.51
Valued weekly Wednesday.

DWS Deutsche Ges. F. Wertpapiersp
Grueneburgweg 113, 6000 Frankfurt
Investa DM30.50 32.20 — —

Delta Group
P.O. Box 3012, Nassau, Bahamas
Delt. Inv. Jan. 13 $4.17 4.38 — —

Deutscher Investment-Trust
Postfach 2685 Biebergasse 6-10 6000 Frankfurt
Concentra DM17.50 18.40 — —
Int. Rentenfonds DM55.60 60.00 — —

Dreyfus Intercontinental Inv. Fd.
P.O. Box N3712, Nassau, Bahamas.
NAV Jan. 21 US$29.93 31.83 +1.05 —

Emson & Dudley Tst. Mgt. Jrsy. Ltd.
P.O. Box 73, St. Helier, Jersey. 0534 73933
E.D.I.C.T. 149.5 159.5 — 2.20

The English Association
4 Fore Street, EC2. 01-588 7081
E. A. Income Fund* 52.9 56.2xd — 8.90
E. A. Sterling* £66.07 66.10xd — —
E. A. Equity* £65.71 66.19 — 1.89
Wardgate Cm. Fd.* £17.55 19.26xd — 2.74
*Next dealing Jan. 28. **Next dealing Jan. 30.

Eurobond Holdings N.V.
Pieterman 15, Willemstad, Curacao.
London Agents: Intel 15 Christopher St., EC2. Tel: 01-247 7243, Telex: 8814408
Euro Hldgs. US$20.20 21.00 — 11.00

F & C Mgmt. Ltd. Inv. Advisers
1-2, Laurence Pountney Hill, EC4. 01-623 4680
Centenary Fd. US$10.93 — 1.28
F. & C. Oriental Fd. US$21.44 — —
Prices Jan. 14. Weekly dealing.

Fidelity International Ltd.
P.O. Box 670, Hamilton, Bermuda. 8 Queensway Hse, Queen St., St. Helier, Jersey, C.I. 0534 71696
American Assets US$44.21 — 0.92
Am. Val. Cum Pf. $S US$102.11xd — —
American Val. Com.* $5.05 — —
Dollar Savings Trust US$175.40 — 16.38
Far East US$32.67 +0.60 —
International US$45.49 — —
Pacific US$106.00 — —
World US$27.32 -0.07 —
Gilt Fund 23.7 23.9 — 13.08
*Prices at December 31.

First Viking Commodity Trusts
10-12 St. George's St., Douglas, IoM. 0624 25015
Fst. Vik. Cm. Tst. 30.2 31.9 -0.3 5.60

Fleming Japan Fund S.A.
37, rue Notre-Dame, Luxembourg
Fleming Jan. 20 US$66.39 — —

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1980-81 High	Low	Stock	Price £	+ or —	Yield Int.	Red.
99½	93⅝	Treasury 9¼pc 1981‡‡	99½	+⅛	9.8	12.99
98⅛	91¼	Exch. 8¼pc 1981	98⅛	......	8.41	12.29
98¼	92¼	Exch. 9½pc 1981	98¼xd	......	9.66	15.15
94⅝	85½	Exch. 3pc 1981	94⅝xd	+⅛	3.16	12.98
99⅝	96½	Treas. Variable '81‡‡	99⅝	......	13.46	14.53
100⅛	95⅝	Exch. 12¼pc 1981‡‡	99⅝	......	12.76	12.73
96½	88½	Treas. 8½pc '80-82‡‡	96½	......	8.81	12.40
93⅛	82½	Treasury 3pc '82‡‡	93¾xd	......	3.20	9.33
102⅝	96⅝	Treasury 14pc '82‡‡	101	......	13.86	15.00
98⅞	94¼	Treas. Variable '82‡‡	98⅞	......	13.55	14.46
94¼	86⅛	Treasury 8¼pc '82	94¼	+⅛	8.75	12.73
94¼	86⅜	Exch. 9¼pc 1982	94¼	+⅛	9.81	13.17
93¾	85	Exch. 8¾pc 1983	93¼	+⅛	9.38	12.75
86¾	76½	Exch. 3pc 1983	86¾xd	......	3.45	10.25
98⅝	90⅞	Treasury 12pc 1983‡‡	98	+⅛	12.24	13.08
96⅝	90⅝	Treas. Variable '83‡‡	96¾	......	13.30	14.99
93⅛	84½	Treasury 9½pc '83	93	+⅛	9.94	12.64
102⅛	94¼	Exch. 13¼pc '83	101⅛	+⅛	13.34	12.97
93¼	84½	Exch. 10pc 1983	93	+⅛	10.75	12.95
85¼	76½	Funding 5½pc '82-84‡‡	85¼	+⅛	6.45	11.49
97⅛	87¼	Exch. 11¼pc 1984	95⅝xd	+⅛	11.76	13.05
104⅛	94½	Exchequer 14pc 1984	102½	+⅛	13.65	13.03
78¼	68¼	Exch. 3pc 1984	78¼	......	3.82	10.59
99⅛	88⅜	Treasury 12pc 1984	97	+⅛	12.37	13.03
[illegible]						

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INTERNATIONAL BANK

88	78	5pc Stock '77-82	87¼	+¼	5.70	13.97

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

1980-81 High	Low	Stock	Price £	+ or —	Yield Int.	Red.
93¾	82¼	Aust. 5½pc '81-82	93¼	......	6.07	15.34
85¼	72½	Do. 6pc 1981-83	84½	+¼	7.19	15.12
67¾	58	N.Z. 7½pc 1983-92	64½	+½	11.35	13.55
82¾	72	Do. 7½pc '83-86	78¼	+½	9.63	15.45
98	88	Sth. Africa 9½pc '79-81	98	+½	9.90	15.12
150	95	S. Rhod. 2½pc Non-Ass.	125	−1	—	—
50	51	Do. 3½pc 80-85 Asstd.	48	......	7.59	23.00
32	20½	Do. 4½pc 87-92 Asstd.	29xd	......	15.51	21.50
381	270	Zimbabwe Ann (£100pa)	381	......	—	22.95

LOANS

Public Board and Ind.

1980-81 High	Low	Stock	Price £	+ or —	Yield Int.	Red.
64½	56½	Agric. Mt. 5pc '59-89	62¼	+¼	8.07	12.38
84	73½	Alcan 10½pc '89-94	76½	......	14.73	15.80
30	25	Met. Wtr. 3pc 'B'	29¼	−¼	10.66	12.85
104½	89	U.S.M.C. 9pc 1982	102	......	8.95	—
93	85½	Do. without Warnts.	93	......	9.80	12.30

Financial

1980-81 High	Low	Stock	Price £	+ or —	Yield Int.	Red.
101½	93¼	FFI 14pc '83	100¼	......	13.96	13.88
90½	79½	FFI(UK Fn)5½pcDb. '80-2	90½	......	6.20	13.37
82½	71½	Do. 6¼pcDb. '81-84	81	......	7.85	13.20
93	80½	Do. 10¼pc Uns.Ln. '86	88½	......	11.94	13.95
92½	77	Do. 11pc Uns.Ln. '88	87½	......	12.66	13.55
90	82	Do. 11¾pc Uns.Ln. '90	86	......	15.45	14.30
101	84½	Do. 12½pc Un. Ln. 1992	94½	......	13.86	14.30
67	56	Do. 7¼pcADeb. '89-92	61	......	12.33	14.40
66½	51½	Do. 7¼pcADeb. '91-94	63½	......	12.32	14.10
76½	64½	Do. 9pc 'A' '91-94	72	......	13.08	14.25
71½	61	Do. 8¾pcLn. '92-97	69½	......	13.60	14.30

FOREIGN BONDS & RAILS

1980-81 High	Low	Stock	Price £	+ or —	Div. % Gross	Red. Yield
82	43	Antofagasta Rly	62½	......	—	—
55	50	Do. 5pc Pref.	55	......	—	—
98	98	Chilean Mixed	98	......	3	13.10
52	18	Chinese 4½pc 1898	25	......	—	—
45	17	Do. 5pc 1912	18	......	—	—
24	11	Do. 5pc 1913	14	−1	—	—
24	11	Do. 5pc '25 Boxer	11½	−1	—	—
97	85¼	Denmark 13pc 2005	88¼	......	13	14.82
[illegible]						

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

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[illegible]

ELECTRICALS—Continued

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ENGINEERING MACHINE TOOLS

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FOOD, GROCERIES, ETC.

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INDUSTRIALS (Miscel.)

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Sri Lanka

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Africa

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MINES

Central Rand

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Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

MINES—Continued

Australian

[illegible]

Tins

[illegible]

Copper

[illegible]

Miscellaneous

97	43	Barymin	47	−3	—	—	—
17	12	Burma Mines 10p	15½	......	0.62	1.1	5.8
445	53	Colby Res. Corp.	281	+7	—	—	—
502	240	Cons. Murch. 10c.	240	......	t030c	2.8	7.2
180	75	††Hemerdon 10c.	75	......	—	—	—
225	36	Highwood Res.	260	−5	—	—	—
585	325	Northgate C$1	350	+5	—	—	—
*456	322	R.T.Z.	398	−5	t16.0	3.2	5.7
£115	£97	[illegible]	£99	+½	Q9½%	—	10.0
138	91	††SPO Minerals 10p	130	......	—	—	—
58	26	Sabina Inds. C$1	37	......	—	—	—
51	30	††SWCM 10p	30	......	—	—	—
650	411	Tara Expln. $1	502	+2	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ✣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(2)(a); not listed on any Stock Exchange and not subject to any listing requirements.
- ‡‡ Dealt in under Rule 163(3).
- $ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend: cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ** Regional price.
- || No par value.
- §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1981-82. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1980-81. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	39	......
Bertam	15	+½
Bdg'wtr. Est. 50p	530	......
Craig & Rose £1	£17¼	......
Fife Forge	39	......
Finlay Pkg. 5p	20	......
Graig Ship. £1	£17	......
Higsons Brew	67	......
Holt (Jos) 25p	340	......
I.O.M. Stm. £1	167	......
Pearce (C. H.)	650	+10
Peel Mills	60	......
Sheff. Refrshmt	101	......
Sindall (Wm.)	130	......

IRISH

Conv. 9% '80/82	£93¾	......
Nat. 9¾% 84/89	£75	......
Fin. 13% 97/02	£84⅝	+⅛
Alliance Gas	45	......
Arnott	225	......
Carroll (P.J.)	77	......
Concrete Prods.	85xd	+3
Heiton (Hldgs.)	52	......
Ins. Corp.	540	+20
Irish Ropes	38	......
Jacob	31½	......
T.M.G.	27	......
Unidare	82	......

OPTIONS

3-month Call Rates

Industrials		I.C.I.	28	Utd. Drapery	6½
A. Brew	7	"Imps"	7	Vickers	14
BOC Intl.	9	I.C.L.	9	Woolworths	5
B.S.R.	4½	Inveresk	3		
Babcock	11	Ladbroke	28	**Property**	
Barclays Bank	40	Legal & Gen.	20	Brit. Land	3
Beecham	15	Lex Service	9	Cap. Counties	11
Blue Circle	30	Lloyds Bank	28	Land Secs.	35
Boots	20	"Lofs"	4	MEPC	20
Bowaters	20	London Brick	6	Peachey	8
B.A.T.	25	Lucas Inds.	20	Samuel Props.	15
Brown (J.)	6½	"Mams"	20	Town & City	2¼
Burton	10	Mrks. & Spncr	9		
Cadburys	6	Midland Bank	32	**Oils**	
Courtaulds	6	N.E.I.	7	Brit. Petroleum	36
Debenhams	8	Nat. West. Bank	32	Burmah Oil	19
Distillers	17	P & O Dfd.	12	Charterhall	11
Dunlop	7½	Plessey	25	KCA	22
Eagle Star	22	Racal Elect.	32	Premier	10
F.N.F.C.	3½	R.H.M.	4	Shell	40
Gen. Accident	30	Rank Org.	16	Tricentrol	34
Gen. Electric	50	Reed Intnl.	18	Ultramar	48
Glaxo	22	Sears	4½		
Grand Met.	19	Tesco	5½	**Mines**	
G.U.S. 'A'	48	Thorn	28	Charter Cons.	23
Guardian	32	Trust Houses	18	Cons. Gold	45
G.K.N.	16	Tube Invest.	16	Lonrho	10
Hawker Sidd	20	Unilever	50	Rio T. Zinc	45
House of Fraser	15	U.D.T.	4½		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 30

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FINANCIAL TIMES
Friday January 23 1981

Poles threaten national strike

BY LESLIE COLITT IN WARSAW

SOLIDARITY, Poland's leading trade union, warned yesterday that it will call all its 10m members out on national strike next Wednesday if there is no agreement on Saturday working.

The threat, made during a day of stoppages and disruption in at least 10 major cities and industrial complexes, came from the union's Warsaw branch which has previously adopted a moderate stance in the dispute.

This change of tactics and the strikes yesterday *followed* a breakdown of negotiations between union and Government on Wednesday night, and mark a distinct heightening of tensions.

To underline this, another four-hour bus and tram stoppage has been called in Warsaw for this morning, and 40 factories in the area are said to be ready to strike in support. Solidarity has also proclaimed tomorrow, officially designated a working day, as a day of rest.

The strikes yesterday closed all *factories* and *transport* in Gdansk. Factories in nine other cities were also closed, and in Bydgoszcz, 125 miles south of Gdansk, police ringed the city to prevent protesting farmers demonstrating in the centre of town.

Solidarity said later: "There were no incidents," but police warned the farmers they would face punishment if they forced their way into the city.

Other areas hit were Poznan, the copper mining centre of Legnica, Czestochowa and Kielce.

Mr. Lech Walesa, Solidarity's leader, said after six hours of talks on Wednesday with Mr. Jozef Pinkowski, the Prime Minister, that nothing had emerged "except words."

Mr. Walesa offered a compromise formula of a 41½-hour working week with all Saturdays off, which was only one hour less than the government's proposal. The Prime Minister said he would consider the new offer but refused to debate the question on Polish television as Mr. Walesa suggested.

Despite a willingness to make some concessions on both sides, the free Saturday issue has worsened the Government-union relationship which seemed to have improved last month.

Solidarity says the Government has honoured only three of the 21 concessions included in the Gdansk Agreement which ended a wave of strikes last summer. The Government, however, says uncompromising "anti-socialist elements" have gained the upper hand in the independent union movement.

The badly weakened Polish Communist Party is finding it hard to grant access for Solidarity to the official media, wide-ranging limitations on censorship, the release of seven *political prisoners and the registration* of a farmer's union, Rural Solidarity.

Even if the party wanted to concede these points it seems Moscow would not allow it to.

Solidarity believes the authorities will agree to its demands only under constant pressure. In addition many members of the new union are now uncertain of their leadership's position on free Saturdays because of its alternating willingness to talk and calls for warning strikes. A tough line has been taken in part to convince confused members they should stay away from work tomorrow.

The Polish Planning Commission, meanwhile, said it will be March before the Government can issue the revised plan for this year and that its early estimates of a drop of 3 per cent this year in national income (equal to gross national product minus services) will probably be exceeded in the new plan.

● Correspondents and crews of three U.S. television networks, NBC, ABC and CBS, and Time magazine have been asked to leave Poland by midnight *tonight* the correspondents said yesterday.

Most Polish newspapers will now appear only five times a week instead of six because of a shortage of newsprint.

The only exceptions would be the party organ, Trybuna Ludu, and the national newspaper Zycie Warszawy.

Polish working conditions, Page 2

Government to issue short-dated debt

By Peter Riddell, Economics Correspondent

THE BANK OF ENGLAND is taking the first steps towards the issue of new short-dated central government debt.

The proposal represents a major change in the way the Government finances its borrowing needs and has wide-ranging implications for City institutions and the gilt-edged market.

Shorter-term issues, with a life of less than two years, would reduce the present dependence on offers of long-dated gilt-edged stocks and help the *aim of promoting greater flexibility* of interest rates.

Demand

The Bank has invited a number of City experts to join an informal group to consider the nature of such issues and the potential demand. The meetings, which will start next week, are intended to be completed soon enough for decisions to be taken in time for the Budget on March 10.

The group will include Mr. Gordon Pepper of stockbrokers W. Greenwell, Mr. John Forsyth of merchant bankers Morgan Grenfell, Mr. Brian Williamson of discount house Gerrard and *National*, and Mr. Tim Jones of jobbers Akroyd and Smithers. They have been invited as experts rather than representatives of their organi*sations*.

Sir Thomas Gore Browne and Lord Cromwell, the Government Brokers, Mr. Nicholas Monck from the Treasury and Mr. *Eddie George* and Mr. Anthony Coleby of the Bank will also be part of the group.

Their immediate brief is to look at how private sector liquidity is invested at present and hence the scope for new debt instruments.

The scope for such changes has arisen because of the *monetary control proposals* announced in November. These will involve the abolition of the present reserve asset ratio requirement on banks to hold a specified minimum level of certain assets including three-month Treasury bills and gilts with a maturity of less than a year.

The existence of the ratio has stopped the Government issuing short-debt as a means of funding since such issues count within the money supply.

Attractive

The abolition of the ratio removes this constraint—not only making existing Treasury bills more attractive to non-banks but also opening up the possibility of issues of between six months and two years. A 12-month Treasury bill is one possibility.

Some Bank officials are known to have doubts about the size of the potential demand for such stocks in view of the existing short-term issues by *local authorities*. There are worries that these issues, such as yearling bonds, might be squeezed out by new central government issues.

THE LEX COLUMN

Loss elimination at Rank Org.

Index fell 4.6 to 457.1

Sterling's continuing strength hit RX hard, and without the FAS 8 currency debits it would have improved from a 3 per cent first half trading profit decline to a 9 per cent second half gain. RX managed to hold its share of a still growing copying market—copy volume was ahead by 15 per cent—and profits benefited from the action taken to shift the rental/sales ratio in *favour of sales*. While Japanese competition is fierce at the lower volume end of the market, RX is still doing very well in big machines.

The full year decline at Rank Organisation turns out to be of 15 per cent to £111.2m at the pre-tax level, the setback being common both to Rank Xerox *and to the businesses managed* by the Organisation—these contributing £21.9m, about the same as back in 1973. And there are the expected below-the-line nasties, dominated by the £24.9m it is costing Rank to get out of the TV set and film production businesses. The dividend is maintained to hold the yield at 9.6 per cent, with the shares up 10p to 166p although the figures are much in line with expectations.

Currency movements remain *a key factor for RX* in 1980-81, and judging by the way sterling has strengthened against the Continental European currencies since October the group *may still have to swim against* the tide. At the Organisation, loss elimination appears to be the main hope for the current year, with the axeing of TV *manufacturing and feature film* production cutting out a total of £7.6m of trading losses. However, much will depend on whether the holiday and leisure *interests*, buoyant in 1979-80, can continue to stand up to the UK recession.

For the moment, debt appears to be rising—going back above £200m, *and leading* to a £3m rise in the second half interest charge—though the group is still very solidly underpinned by its massive investment in Rank Xerox. With the dividend strongly covered Rank is a reasonably income stock, but recent news of the management reshuffle has done nothing to convince the market that the long term decline of the non-Xerox side can be reversed.

Tate & Lyle

Tate and Lyle has taken some agonising decisions in the last couple of months. But the closure of its Liverpool refinery, on top of its withdrawal from the mainstream starch business, leaves it in much better shape. Starch losses running last year at £3½m will be eliminated, and the benefit *of closing Liverpool could be* as high as £10m in a full year, since over-capacity in the UK sugar industry should vanish along with T and L's highest-*cost unit of production*.

Gross closure provisions total £55.5m, two-thirds of the group's market capitalisation, but this figure is partly offset by a nifty write-back of £18.6m of stock relief under the new rules: T and Ls balance sheet now looks much cleaner: net worth stands at £190m and debt less cash at £74.5m, which will rise towards £100m this year as the cash element of closure costs is paid out.

In the year to September 1980 the group had a better experience than had generally been feared. With melasses and scugar trading providing £34.2m pre-interest against £18.2m, group profits before exceptional items and tax rose from £20.3m to £28.0m, while there is a current cost attributable profit of £2m. The U.S. refining business is doing well, and the group's *shrinkage* has released cash so far, so that the interest charge is well under control. The bad news is in agricultural engineering—a £10m swing into loss—and there are £5.4m of losses (including R and D) in chemicals, a business which is now under close scrutiny.

Most of the rationalisation *benefits* will not come through until 1981-82, and pre-tax profits in the current year may emerge little higher than £30m, assuming some fall on the commodity trading side. The shares yield 10.3 per cent at yesterday's price of 152p, up 12p, and look sounder than for some time, but the market's deeply engrained wariness may prevent the price being chased upwards.

News/Times

Shares in News Corporation have held up quite well in the face of growing speculation about yesterday's bid for Times Newspapers, which is a tribute to the market's faith in Mr. Rupert Murdoch's negotiating skills. Unlike Thomson, the News group does not have a North Sea oil field to pour into Fleet Street. No firm figures came out yesterday, but it was suggested that the Times papers are now losing money at a rate of over £1m a month. News simply could not afford that kind of outflow.

The Australian group's after tax profits in the year to June could be a bit over £20m, boosted by the first full 12 months from its half share in Ansett Transport and by cover price increases on the two key papers, the Sun and the News of the World. The balance sheet is unlikely to be in a position to take on vast slabs of new debt. Tangible net assets last June were roughly £80m, and total borrowings were probably not much less than that. So from Mr. Murdoch's point of view, a great deal will depend on how much working capital the Times papers will require, and on the likely level of redundancy payments.

Heathrow action hits BA flights

By Nick Garnett, Labour Staff

BRITISH AIRWAYS has cancelled *all flights fom Heathrow* today together with its shuttle services, following the Transport and General Workers Union decision to make official the *24-hour strike by groups of* ground and maintenance staff.

It was still unclear last night if there would also be major disruption at Gatwick where workers were still considering their response.

The airline said it hoped to operate a large number of services from Manchester and Glasgow.

A total of 190 flights, carrying up to 14,000 passengers, would normally be expected to leave Heathrow today. The airline has been attempting to make alternative arrangements for these passengers.

Re-booking information can be obtained on 01-370 5411 and general flight information on 01-759 2525.

Foot tries to block Right exit

BY ELINOR GOODMAN, LOBBY CORRESPONDENT

MR. MICHAEL FOOT, the Labour leader, was last night planning an eleventh-hour intervention to prevent tomorrow's special party conference signalling the beginning of a staged withdrawal from the party by leading right-wingers.

After a series of meetings with members of the so-called Gang of Three, and other militant right-wingers, Mr. Foot was considering responding to their demands for action by trying to speak at the beginning of the conference before voting *starts*.

But the signs last night were that it would be very difficult for Mr. Foot to stop the three—Mrs. Shirley Williams, Mr. Wil*liam Rodgers and Dr. David* Owen—from making a decisive move shortly after the conference. Despite his anxiety to hold the party together, Mr. Foot is *unlikely to offer the* three the kind of promises they want.

They have made it clear they doubt his ability to deliver on policy and there seems virtually no chance that Mr. Foot would concede to their demand for him to call on the conference to postpone a decision again on the new system for electing the leader.

The strategy hammered out by the three over the last few *days, therefore seems likely to* be brought into action. The final decision on breaking with the party will be delayed until at least May but in the mean*time the three will declare their* readiness to explore the scope for a new social democratic alliance. They will retain their membership of the Labour Party and will, in effect, form a party within a party.

They will put the onus of holding the party together on moderates like Mr. Denis Healey and Mr. Roy Hattersley who claim there is no need for a split. They will challenge them to demonstrate their willingness to fight from within. In this way, they will postpone the final break until they are surer whether there is support—both at Westminster and in the country—for a new social democratic alliance.

Over the past few days it has been made clear to Mr. Foot that only a dramatic intervention would stop the Gang of Three making a move next week. His offers to compromise over policy, made on Wednesday night, do not seem to have impressed the three. In his meeting with Mr. Foot, Dr. Owen apparently challenged him to speak out at the conference and urge delegates to put off a decision.

Mr. Foot, however, believes it is essential that the conference resolves the issue which has been splitting the party since the election, and is prepared to argue for an electoral college giving MPs 50 per cent of the votes.

Extra export credit provided

BY PAUL CHEESERIGHT

THE GOVERNMENT yesterday acted to boost the efforts of British exporters by giving them a sharper competitive edge in what they may offer in the way of export credits.

It is providing extra funds for two years so that, selectively, exporters will be able to match unusually generous credit terms offered by foreign competitors.

The scheme was announced by Mr. Cecil Parkinson, Trade Minister, in a parliamentary answer. It involves providing Government funds of £2m in 1981-82 and £4m in 1982-83.

These sums could bring business worth £100m in the first year and £200m in the second, to the UK, which might otherwise have gone to foreign groups offering *more generous* credit.

The Government in 1979-80 spent £357m supporting exporters, by paying the difference between export credits granted at normal international rates and the market cost of the funds.

However, though the new scheme is essentially a topping-up of the extensive facilities already offered to exporters, it gives a new focus to the international squabble on export credits.

The world's major industrialised powers last month failed to agree on reform to the international Concensus governing the level of interest rates and the duration of credits offered *by exporters*.

The breakdown of these talks, and the decision a fortnight ago by the Canadian Government to take steps also to offer softer *credits, gave the UK Govern*ment impetus to take a step against which it is opposed in principle.

Successive UK Governments have deplored the use of credits at more generous rates than those permitted by the Consensus, especially the use of mixed credits pioneered by the French. These split the financing of export projects between commercial loans and aid offered at reduced rates of interest to cut the overall cost to the customer.

Britain wants such practices banned. Mr. Parkinson *said*, "Until these efforts succeed our best deterrent to soft credit practices by others lies in an effective matching policy."

Officially it is hoped that the new British scheme, taken in conjunction with the Canadian decision, an earlier U.S. announcement that it will *lengthen the maturity of its* credits, and the known disquiet of Japan, will bring new pressure on France

Weather

UK TODAY

GENERALLY mild. Mainly *dry, but cloudy*.

London, S.E. and Central England and N.E. England
Mainly dry. Cloudy with some sunny intervals.

***Wales, S.W. England, Isle** of* **Man, N.W. England**
Mostly cloudy. Little drizzle near coast.

Borders and Edinburgh
Mainly dry. Cloudy

S.W. Scotland, Glasgow and Northern Ireland
Mostly cloudy.

Outlook: Rain spreading to all parts.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	12	54	Locarno	S	4	39
Algiers	R	10	50	London	C	12	54
Amsdm.	R	4	39	L. Ang.†	C	14	57
Athens	T	10	50	Luxmbg.	C	1	34
Barclna.	S	14	57	Luxor	S	21	70
Beirut	C	19	66	Madrid	S	12	54
Belfast	C	10	50	Majorca	C	12	54
Belgrade	Sn	−2	28	Malaga	S	18	64
Berlin	S	−4	25	Malta	C	11	52
Biarritz	R	10	50	M'chstr.	Fg	9	48
Bmghm	C	11	52	Melbne.	C	23	73
Blackpl.	C	7	45	Miami†	F	10	50
Bordx.	C	10	50	Milan	S	5	41
Boulgn.	C	8	46	Montrl.†	Sn	−7	19
Bristol	C	10	50	Moscow	C	−4	25
Brussels	C	4	39	Munich	S	−5	23
Budpst.	C	1	34	Nairobi	F	28	82
Cairo	C	18	64	Naples	F	8	46
Cardiff	C	9	48	Nwcstl.	C	9	48
Cas'b'ca	S	16	61	Nice	S	12	54
Cape T.	S	24	75	Oporto	C	15	59
Chicg.†	F	−3	27	Oslo	S	4	39
Cologne	C	0	32	Paris	C	5	41
Cpnhgn.	F	−1	30	Perth	S	32	90
Corfu	C	13	55	Prague	C	−2	28
Denvert	F	−2	28	Reykjvk.	C	2	36
Dublin	C	11	52	Rhodes	C	16	61
Dbrvnk.	C	8	46	Rome	S	10	50
Ednbgh.	C	10	50	Salzbrg	S	−3	27
Faro	F	19	66	S Frcisct	C	16	61
Frankft	S	−2	28	Stckhm	Sn	−2	28
Geneva	C	−1	30	Strasbg	S	1	34
Gibraltar	F	16	61	Sydney	F	24	75
Glasgow	C	10	50	Tangier	S	18	64
G'nsey	C	11	52	Tel Aviv	C	21	70
Helinki	Sn	0	32	Tenerife	S	17	63
H. Kong	F	18	64	Tokyo	S	6	43
Innsbrk.	S	−6	21	Trontot	C	−3	27
Invrnss.	C	8	46	Tunis	C	9	48
Istanbul	C	9	48	Valencia	S	19	66
Jersey	C	10	50	Venice	S	5	41
Jo'burg	C	19	66	Vienna	C	−1	30
L. Plms.	S	20	68	Warsaw	C	−6	21
Lisbon	S	14	57	Zurich	C	−5	23

C—Cloudy F—Fair Fg—Fog H—Hail. R—Rain S—Sunny Sl—Sleet Sn—Snow T—Thunder.
† Noon GMT temperatures.

Cabinet approves BL aid package

BY RICHARD EVANS AND KENNETH GOODING

THE CABINET yesterday agreed in principle to a new aid package for BL. The details will be spelled out in a Commons statement by Sir Keith Joseph, the Industry Secretary, early next week, probably on Tuesday.

At the same time the Government will announce that responsibility for BL is being switched from the National Enterprise Board to the Department of Industry. This move has been expected for more than a year since Rolls-Royce was taken away from the NEB.

MPs last night considered that the Government had accepted the main proposals of Sir Michael Edwardes' rescue plan, but had resolved to impose strict conditions.

Details of the BL corporate plan have not been revealed, but the group is understood to have asked the Government to provide a further £1bn for 1981 and next year.

It is the first time that Sir Michael Edwardes has asked for a guarantee of cash for two years instead of just one. He has argued that two-year allocations would allow BL to plan much more logically and less expensively, enable it to recruit more easily and increase the confidence of the worldwide distribution network.

The plan also covers BL's potential *requirements up to* 1985 and is thought to include a further £150m for 1983-85.

It is unlikely that BL will receive the funds requested by Sir Michael in one tranche. Instead, they will be phased over the four-year period of the plan so as to improve productivity and labour relations.

The plan takes into account that BL's net lns for 1980—still to be formally announced—was around £400m compared with £144.5m the previous year.

Of the £1bn requested for 1981-82, about £800m would go to the car division.

The biggest element in the planned expenditure is £250m to £300m for a "family" of medium-sized cars with which BL hopes to capture a much larger slice of the fleet market.

The first in the range, previously called LC10 but recently *re-code named the LM (for* "light medium") 10, is due for a 1983 launch and would be a hatchback. LM11, a booted version, and a luxury model, the *LM12, should follow in 1984*.

The range will take on Ford's Toni, the Cortina-Taunus replacement, also due in 1983. Such cars are the biggest and most-profitable sector of the UK car market.

BOC chief has salary of £271,000

By Hazel Duffy, Industrial Correspondent

MR. RICHARD GIORDANO, the 46-year-old American who is group managing director and chief executive of BOC International, has emerged as the highest-paid executive of a major British company with a salary of £271,400.

His salary, revealed in the 1979/80 report and accounts, of BOC (formerly British Oxygen), compares with £62,700 paid to Sir Leslie Smith in 1978/79 when he was chairman and chief executive.

Sir Leslie is also revealed as having received an increase to £88,400 in his post as chairman.

Mr. Giordani took over the top job at BOC on October 1, 1979. *He was formerly president* and chief executive of Airco, the American company which was acquired by BOC two years earlier after a prolonged *battle through the U.S. courts.*

Lower

The decision to bring in a top American executive at the head of a British-based international group is highly unusual. The need to cement AIRCO and BOC after the takeover battle was a prime consideration in that decision, and Mr. Giordano made it clear he would not make the move for less than he was being paid in the U.S.

Salaries of $500,000 to $1m for top executives are not unusual in the U.S., but British salary levels are much lower. According to a recent study, the highest salary paid to a director was at "Shell" Transport and Trading, where the figure was £218,805 in 1979.

Mr. Giordano's performance at BOC has been more than satisfactory. The group made a pre-tax profit of £61.5m in the year to September 1980.

Continued from Page 1

Tate

Community annually under the Lome Convention agreement, reacted strongly. They said that since Britain took the bulk of their sugar, the reduction of the UK cane refining industry would weaken their position. If the trend continued, it could lead to the disappearance of cane sugar from the shops in Britain, a joint statement added.

Continued from Page 1

Reagan decision

structure to some of America's allies, whose swift dropping of formal sanctions has been criticised here, he added: "The world would make a mistake to forgive or condone what Iran has done just because, after 14 months of Government-sponsored criminality, they finally ended their criminal act."

Senator Howard Baker, the Republican majority leader chipped in, saying: "I do not wish to welsh on the agreement made by the United States."

He advised that while Congressional hearings into treatment of the hostages were needed, they should not start for a time "until the wounds have had a chance to heal a little, until the passions have subsided."

Some staunch Republicans wish to place the whole blame for the affair on President Carter, but, if this were done, an investigation might also end up delving into the American *role in putting* the Shah on the Peacock Throne back in 1953.

Prior to the State Department's cautious pronouncement on the new Administration's *attitude to the deal*, Mr Mondale indicated that Mr. Reagan also had been "outraged" by what Mr. Carter had relayed.

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